

Mr. EDGE (when his name was called). Making the same announcement as to the transfer of my pair as previously, I vote "nay."

Mr. KENDRICK (when his name was called). Making the same announcement with regard to the transfer of my pair as on former votes, I vote "yea."

Mr. KING (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. McCUMBER]. In his absence I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as before with reference to the transfer of my pair and its transfer, I vote "nay."

Mr. MCKINLEY (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

Mr. REED of Pennsylvania (when his name was called). Making the same announcement as before with respect to my pair and its transfer, I vote "nay."

Mr. SMITH (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

Mr. STANLEY (when his name was called). I inquire if my colleague, the junior Senator from Kentucky [Mr. ERNST], has voted?

The PRESIDING OFFICER. The Senator has not voted.

Mr. STANLEY. Not knowing how my colleague would vote, I withhold my vote.

Mr. SWANSON (when his name was called). Making the same announcement as to my pair and its transfer as on the previous roll call, I vote "yea."

Mr. WATSON (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I ask unanimous consent that the motion to adjourn be withdrawn, and that the Senate take a recess until 11 o'clock to-morrow morning, with the understanding that we shall have an executive session to-morrow morning at 11 o'clock.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request proposed by the Senator from Kansas?

Mr. ROBINSON. Pending the request, I desire to say that the suggestion is satisfactory to this side of the Chamber. We have no objection to it.

BALTIMORE & OHIO RAILROAD SIDINGS IN THE DISTRICT.

Mr. BALL. Mr. President, will the Senator from Kansas yield?

Mr. CURTIS. Mr. President, may I ask permission to yield long enough to allow the Senator from Delaware to enter a motion to reconsider a vote? I will withhold the request I have made for a moment, if there be no objection.

Mr. HITCHCOCK. What is the motion of the Senator from Delaware?

Mr. BALL. I ask unanimous consent that I may ask for a reconsideration of the vote by which the Senate concurred in the amendment of the House to the bill (S. 3083) authorizing the Baltimore & Ohio Railroad Co. to construct an elevated railroad siding adjacent to its tracks in the city of Washington.

Mr. ROBINSON. Mr. President, it is necessary under the rules of the Senate that the motion to reconsider be entered within two days of actual session of the Senate after the bill passes the Senate. I think that means two calendar days rather than two legislative days, for reasons that I will not state at this time. I think also that the motion is privileged, and that the Senator from Delaware has a right to make the motion.

Although a situation has developed where a quorum may not be found to be present, I hope that there will be no objection, in view of the fact that a manifest error was made by the Senate in concurring in the House amendment, and the Senate must necessarily correct that mistake.

Mr. McKELLAR. Do I understand that the motion is merely to be entered now and not to be acted upon?

Mr. ROBINSON. It is not to be considered.

Mr. LODGE. It is merely to be entered.

Mr. BALL. That is all.

The PRESIDING OFFICER. The Senator from Delaware asks unanimous consent to enter a motion to reconsider the vote by which the Senate concurred in the amendment of the House to the bill named by him. Is there objection? The Chair hears none, and it is so ordered.

RECESS UNTIL TO-MORROW.

Mr. CURTIS. I ask unanimous consent that the Senate take a recess until 11 o'clock to-morrow morning, and that at 11 o'clock there be an executive session.

The PRESIDING OFFICER. Is there objection to the unanimous consent requested by the Senator from Kansas? The Chair hears none, and it is so ordered.

Thereupon (at 11 o'clock and 40 minutes p. m.) the Senate took a recess until to-morrow, Friday, February 23, 1923, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, February 22, 1923.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We thank Thee, our Father in heaven, that Thou hast ordained and art administering a providence over Thy children. Sheltered under Thy care, we have a retreat that gives security and blessed quiet. The thought that Thou dost live and love and plan lends courage and sustains us in the hour when hope burns low. We thank Thee that our Nation's history is a great evidence of Thy providence. May we draw to-day new inspiration from the examples of our fathers who struggled in defense of the liberty wherewith they have made us free. Help us to hold in remembrance and appreciation that emergencies can be met, wrongs can be righted, and problems solved by simple obedience to our free Christian institutions. The Lord bless our homeland, which has been consecrated by the prayers, the tears, and the struggles of those who were giants in mind and in conscience, and we will give Thee the praise through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

DEFICIENCY BILL.

Mr. MADDEN, chairman of the Committee on Appropriations, reported the bill (H. R. 14408, Rept. 1680) making appropriations to supply deficiencies in appropriations for the year 1923 and prior fiscal years, and providing supplementary appropriations for the year 1924, which was ordered printed and referred to the Committee of the Whole House on the state of the Union.

Mr. BYRNS of Tennessee reserved all points of order.

GRANTING CERTAIN LANDS TO CANON CITY, COLO.

Mr. SINNOTT, chairman of the Committee on the Public Lands, presented a conference report for printing under the rule on the bill (H. R. 7053) to grant certain lands to the city of Canon City, Colo., for a public park.

GRANTING CERTAIN LANDS TO ESCAMBIA COUNTY, FLA.

Mr. SINNOTT, chairman of the Committee on the Public Lands, presented a conference report on the bill (H. R. 7967) granting certain lands to Escambia County, Fla., for a public park, for printing under the rule.

SENATE JOINT RESOLUTION 253.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent that I may have leave to file minority views on Senate Joint Resolution 253 not later than 12 o'clock Saturday night.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to file minority views on Senate Joint Resolution 253 not later than midnight on Saturday. Is there objection?

There was no objection.

BOARD OF VISITORS TO ANNAPOLIS.

The SPEAKER. The Chair will appoint on the Board of Visitors to Annapolis Mr. DARROW, Mr. HILL, Mr. REECE, Mr. RIORDAN, and Mr. VINSON.

SPEAKERS PRO TEMPORE.

The SPEAKER. The Chair will state that he will be absent to-morrow and perhaps Saturday, and he designates as Speaker pro tempore the gentleman from Kansas, Mr. CAMPBELL. On Sunday, for the memorial exercises, the Chair will designate the gentleman from New Hampshire, Mr. WASON, to preside over the memorial services for Mr. BURROUGHS, Mr. THOMPSON, of Ohio, to preside over the services for Mr. MONTOYA, and the gentleman from California, Mr. CURRY, to preside over the services for Mr. NOLAN and Mr. OSBORNE.

THE SWORD OF MONTGOMERY.

Mr. MOORE of Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution which I send to the Clerk's desk.

The Clerk read as follows:

House Joint Resolution 460.

Resolved, etc., That the sword of Gen. Richard Montgomery, which he wore when he fell at the siege of Quebec on December 31, 1775, be accepted in the name of the Nation from the donor, Miss Julia Barton Hunt, whose generosity is deeply appreciated, and that the sword be deposited in the National Museum.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

Mr. MOORE of Virginia. Mr. Speaker, the history of the sword mentioned in the resolution is given in the letter to me of Mr. Gaillard Hunt, which I ask to have printed with my remarks.

The career of Montgomery in the early months of the Revolution was closely connected with that of the foremost of all Americans, the anniversary of whose birth is being everywhere celebrated to-day.

The Continental Congress having elected Washington Commander in Chief on June 15, 1775, seven days later elected Montgomery a brigadier general.

Immediately, under a plan of campaign devised by Washington and Doctor Franklin, Generals Montgomery and Schuyler were placed in charge of an expedition against Canada. Schuyler being compelled to withdraw on account of sickness, Montgomery led the American forces against Montreal, which he occupied December 7, 1775. Recognizing the importance of this exploit, the Continental Congress promoted Montgomery to be a major general on December 7, 1775. From Montreal Montgomery pressed on to Quebec, encountering great difficulties and hardships due to the character of the country and the severe winter. On the evening of December 31, 1775, as he led his men through ice and snow in an assault upon the heights of the city he was mortally wounded.

In a letter written in February, 1776, Washington, communicating Montgomery's fate to the Continental Congress, lauded his valor and lamented his untimely end. The death of Montgomery made a profound impression both in Europe and America. The Continental Congress proclaimed for him "their grateful remembrance, profound respect, and high veneration, and desiring to transmit to future ages a truly worthy example of patriotism, conduct, boldness of enterprise, insuperable perseverance, and contempt of danger and death," caused to be erected in his honor a monument of white marble at the front of St. Paul's Church, in the city of New York, bearing an inscription written by Franklin. In 1818 the body of Montgomery was removed from Quebec and buried near this monument.

The action which will probably be taken to-day by the Congress of the United States will correspond with the action of the Continental Congress nearly 150 years ago, when it recorded its glowing tribute to the memory of one of the most gifted and heroic of those who sacrificed themselves in the struggle for American independence. [Applause.]

WASHINGTON, February 19, 1923.

HON. R. WALTON MOORE,
House of Representatives.

MY DEAR MR. MOORE: By the wish of my cousin, Miss Julia Barton Hunt, of New York, and in her behalf, I have the profound honor of presenting to the Government of the United States, through the Congress, the sword which Gen. Richard Montgomery carried when he was killed December 31, 1775, on the Plains of Abraham at the siege of Quebec.

James Thompson gives the following account of Montgomery's sword: "Holding the situation of overseer of works in the Royal Engineer Department at Quebec, I had the superintendence of the defenses to be erected throughout the place, which brought to my notice almost every incident connected with the military operations of the blockade of 1775; and from the part I had performed in the affair generally I considered that I had some right to withhold the general's sword, particularly as it had been obtained on the battle ground."

"On its having been ascertained that Montgomery's division had withdrawn a party went out to view the effects of the shot, when the only part of the body that appeared above the level of the snow was that of the general himself, whose hand and part of the left arm was in an erected position, but the body itself much distorted, the knees being drawn up toward the head; the other bodies that were found at the moment were those of his aid-de-camps, Cheeseman and McPherson, and one sergeant; the whole had frozen. Montgomery's sword was close by his side, and as soon as it was discovered, which was first by a drummer boy, who made a snatch at it on the spur of the moment, and no doubt considered it as his lawful prize, but I immediately made him deliver it up to me, and some time after I made him a present of 7s. 6d. by way of prize money."

"The sword has been in my possession to the present day (August 16, 1828). When found it had no scabbard or sheath, but I soon had the present one made and mounted in silver to correspond."

James Thompson was present at the siege of Louisbourg, and came to Quebec with his regiment, the Seventy-eighth Highlanders, and took part in the battle of the Plains of Abraham. Subsequently he was appointed deputy officer of public works in the engineer department. He died in Quebec August 30, 1830, aged 98 years. He bequeathed the

sword to his son, James Thompson, deputy commissioner general, who at his death in December, 1830, willed it to his nephew, James Thompson Harrower. * * * It was sold by Mr. Harrower in 1878 to the Marquis of Lorne, governor general of Canada. (Note on Montgomery's Sword, seventh series of Historical Documents, 1903, published by the Literary and Historical Society of Quebec, 1905.)

In 1881 the Marquis of Lorne gave the sword to Victor Drummond, Esq., chargé d'affaires ad interim of the British Legation at Washington, and Mr. Drummond gave it on September 3, 1881, to Miss Louise Livingston Hunt. Miss Hunt, with her brother, the Hon. Carleton Hunt, of New Orleans, La., and her sister, Miss Julia Barton Hunt, was the owner as a life estate of Montgomery Place, where General Montgomery's widow had died, and where several of the relics of the general were preserved. It was the intention of Miss Louise Livingston Hunt to give the sword to the Government of the United States, but a prolonged illness before her death on November 19, 1914, prevented her from carrying out her intention. Upon her death, as part of her estate, the sword passed to her brother and sister, and upon the death of Carleton Hunt, August 14, 1921, to Miss Julia Barton Hunt, who, carrying out the wishes of Miss Louise Livingston Hunt, now presents it to the Government of the United States to be placed, if it pleases the Congress of the United States, with the other Revolutionary relics in the National Museum, where it may be seen by the public and recall the memory of the gallant officer who gave his life in defense of the American cause December 31, 1775.

Yours very respectfully,

GAILLARD HUNT.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. Moore of Virginia, the motion to reconsider the vote whereby the joint resolution was passed was laid on the table.

Mr. BLAND of Virginia. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The gentleman from Virginia asks unanimous consent to address the House for five minutes. Is there objection?

There was no objection.

Mr. BLAND of Virginia. Mr. Speaker, the district which I have the honor to represent is sacred with memories of Washington. There, at Wakefield, Westmoreland County, he was born. There, at Fredericksburg, Va., he spent a part of his boyhood days and grew to manhood. There he was made a Mason in Fredericksburg Lodge, No. 4, and the Bible used in those ceremonies is still in the possession of the lodge. At Fredericksburg, Va., in that district, the house in which Mary, the mother of Washington, lived and died, still stands, and in that city she lies buried. Patriotic women of this land have marked her last resting place with a stately monument.

Yorktown, Va., in that district, is inseparably linked with the name of Washington, and marks the culmination of his mighty struggle for independence.

Through all the trials, troubles, and disappointments of his long fight for freedom General Washington had the sympathy and encouragement of his devoted and courageous sister, Mrs. Betty Lewis, wife of Col. Fielding Lewis. She was more than sister; she was consoler, comforter, adviser, and friend.

Betty Lewis lived in Fredericksburg, Va. Her old home, known as Kenmore, still stands in that historic city. To this beautiful colonial mansion Col. Fielding Lewis had brought his charming bride, and there she lived until a few years before her death.

Colonel Lewis was a man of wealth and culture and prominent in the city's life. He became an officer in the Revolutionary Army, commanded a division at Yorktown, and after the war he was a magistrate in the town, a member of the city council, and representative in the legislature. Colonel Lewis devoted his activities at crucial periods to the manufacture of firearms for the Revolutionary service, and it is said that his guns armed the Virginia Militia who fought in the Battle of Yorktown. It is said that Colonel Lewis spent all of his money in this patriotic service.

The walls of Kenmore still stand as stanch as when the house was built. The interior stuccowork is said to be probably equal in workmanship to the best in this country. Its decorations were chosen by Washington, and he planned the ceilings and mantels which adorn its rooms.

Within the walls of this historic home have gathered Jefferson, Madison, Monroe, Henry, Richard Henry Lee, John Paul Jones, Light Horse Harry Lee, Count de Rochambeau, and many other men illustrious in the history of the Republic. Here there gathered a brilliant company when Washington went to Fredericksburg after the surrender at Yorktown. This old home has survived the shot and shell of civil strife and brought to the present the simplicity, the grace, and the charm of the past.

This old home has an appropriate location, for in this historic city John Paul Jones once lived. Here also lived Gen. Hugh Mercer and Gen. George Weedon, of Revolutionary fame, James Monroe, whose home and law office in Fredericksburg still stand, and other famous men. In this city still stands the Rising Sun Tavern, whose hospitality embraced Washing-

ton, Jefferson, Madison, Monroe, George Mason, Marshall, and many others.

Though Kenmore had withstood the tempest of war, yet in the past year it became threatened by the onward march of modern commercialism. It was proposed to convert its spacious grounds into building lots, and to transform the old house itself into an apartment house. Then it was that a determined band of heroic women in Fredericksburg rallied to its rescue. Forming themselves into an association, they arranged for its purchase at the price of \$30,000, inaugurated a campaign to secure funds, raised \$13,000 (\$6,000 of which came from their own city), made their initial payment, saved the home, and are now undertaking, by subscriptions of \$10 each for life membership in the Kenmore Association for the preservation of the Betty Washington Lewis home, to raise \$16,000 to complete the purchase.

This sum will be raised by them; Kenmore will be saved to Virginia and to the Nation. The associations of its past will be preserved for the future. We may visit where Washington was an honored and welcome guest.

In the eloquent language of the Norfolk Virginian-Pilot:

"Kenmore" will be devoted to the memory of its former owner. Her reign there in a sense will be renewed. And "the tender grace of a day that is dead" will preside over that household, never to vanish until time at last takes its inevitable toll and the historic walls crumble to dust.

I mention these facts, believing them to be of interest, and assured that you will join with me in a hearty Godspeed to these patriotic ladies in their worthy work. In the name of these ladies I extend to you a hearty welcome to Kenmore, the home of Betty Lewis, the sister of Washington.

ILLUSTRATIONS OF FOREIGN POSTAGE AND REVENUE STAMPS.

Mr. VOLSTEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2703) to allow the printing and publishing of illustrations of foreign postage and revenue stamps from defaced plates, with a House amendment thereto disagreed to, insist on the House amendment and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to take from the Speaker's table the bill S. 2703, with a House amendment disagreed to by the Senate, insist upon the House amendment, and ask for a conference. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Mr. VOLSTEAD, Mr. BOIES, and Mr. SUMNERS of Texas.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 124 to the bill (H. R. 13660) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1924, and for other purposes.

The message also announced that the Senate had passed without amendment the following House concurrent resolution:

House Concurrent Resolution 86.

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 13793) entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1924, and for other purposes," the Clerk of the House is authorized and directed to make the following correction: In line 15 of the matter inserted by Senate amendment No. 29 strike out "Congress). Promotions" and insert "Congress), promotions."

The message also announced that the Senate had receded from its amendment numbered 30 to the bill (H. R. 13793) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1924, and for other purposes, and had agreed to the amendments of the House of Representatives to the amendments of the Senate numbered 18, 21, 34, 36, 38, and 49 to the bill.

EXTENSION OF REMARKS.

Mr. MacGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein, in 8-point type, the letter of the Secretary of the Treasury to the gentleman from Pennsylvania [Mr. McFADDEN] in respect to the so-called Lenroot-Anderson agricultural bill.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD, in 8-point type, in the manner indicated. Is there objection?

There was no objection.

The letter is as follows:

FEBRUARY 19, 1923.

MY DEAR CONGRESSMAN McFADDEN: I received your letter of February 17, 1923, requesting my opinion on the bill (S. 4287) to provide credit facilities for the agricultural and live-stock industries of the United States; to amend the Federal farm loan act; to amend the Federal reserve act, and for other purposes, which was recently approved by the Senate and is now under consideration by your committee. I have been particularly concerned to see whether the bill conforms to sound banking principles and whether its administrative features are workable.

I have had prepared and send you herewith a detailed memorandum analyzing the bill from these points of view, and commenting also upon some other features which seem to be important. This memorandum points out grave defects in the bill, not only in matters of draftsmanship but in its larger outlines and policies as well. It seems to me that a careful study of the measure in the light of this memorandum leads necessarily to the conclusion that its financial provisions, as now drawn, are unsound and dangerous, and that its administrative features are unworkable.

I realize that some support has been given to the bill in the belief that it will assist the farmers of the country in obtaining credit accommodation, adapted to the needs of agriculture, and in sufficient amounts to avoid the disastrous effect of a credit stringency similar to the one through which this country has recently passed. With this object I am in the heartiest accord. I feel that the students of our banking structure have given too much attention in the past to the commercial and industrial needs of the country and not enough attention to the vital problem of fitting our banking structure to the needs of agriculture. I am convinced, however, that no benefits will ensue to the farmer from a system which is financially unsound. The farmer has suffered enough in the past from unsafe banking systems. Let us not now add to this source of danger to the farmer by giving the sanction of the United States Government to a system which violates every canon of sound banking to which this Government has been committed since the establishment of the national banking system.

Some support has also been given upon the assumption that this bill was indorsed by the Joint Commission of Agricultural Inquiry, which conducted an elaborate investigation and has published a valuable report upon agricultural conditions. This, however, is a misapprehension, for the bill in its present form differs radically from the bill which the joint commission indorsed. Many of the features, especially criticized in the accompanying memorandum, were not contained in the bill indorsed by the joint commission, but were added in subsequent revisions. The indorsements given to the bill in its original form, therefore, are not applicable to the bill as it passed the Senate.

In my opinion the greatest service could be rendered to agriculture by enacting into law at the present session the Capper bill (S. 4280) and withholding action upon the Lenroot bill until the situation can be more thoroughly investigated. The Capper bill has the indorsement of the live-stock industry and of the great cooperative-marketing movement. It will go far, in my opinion, in satisfying the needs of those sections of the country which have suffered in the past from inadequate credit facilities. At the same time it is financially sound and in its administrative features avoids the excessive centralization, which, in my opinion, constitutes a serious defect in the Lenroot bill. The Capper bill carries with it important amendments to the Federal reserve act. It also includes a provision extending for nine months the time during which the War Finance Corporation can make loans for agricultural purposes, thus bringing assurance that any unforeseen credit needs will be amply taken care of during the coming crop season. Until the results of further investigation and experience are available, it seems to me that this is a complete and adequate program of agricultural credits legislation.

There are certain features of the Lenroot bill which have great merit and should, in my opinion, be incorporated in the Capper bill by your committee. The farm-credits departments contemplated in the Lenroot bill are, for instance, authorized to make loans direct to cooperative-marketing associations upon warehouse-receipt security. It seems to me that similar powers could well be given to the rediscount corporations contemplated in the Capper bill. The Lenroot bill also renders eligible for rediscount with Federal reserve banks the paper of factors based upon agricultural products in their raw state. It seems to me that this provision is sound, and I recommend its insertion in the Capper bill. I should also suggest including in the

Capper bill the section of the Lenroot bill which repeals the amendment to the Federal reserve act authorizing progressive rediscount rates.

If I may sum up briefly the reason why, in my opinion, the Capper bill is preferable to the Lenroot bill, it is this: The Lenroot bill attempts to create a separate and independent rediscount system for agriculture. Necessarily this will be a secondary and, in all probability, an inadequate rediscount system. It seems to me, on the other hand, that the agricultural interests can properly demand that they be given the benefit, upon sound lines, of the best and most adequate rediscount system which the country can furnish, and that, in my opinion, is the Federal reserve system, liberalized and extended as proposed in the Capper bill. The Capper bill aims at strengthening and developing the existing banking structure and the Federal reserve system and rendering them more useful and more suited to the needs of agriculture.

Very truly yours,

A. W. MELLON,
Secretary of the Treasury.

Hon. L. T. McFADDEN,
Chairman Committee on Banking and Currency,
House of Representatives, Washington, D. C.
MEMORANDUM ON S. 4287.

FEBRUARY 19, 1923.

Sections 1 to 6 of the Lenroot-Anderson bill (S. 4287) provide for the organization and operation of farm-credits departments in the Federal land banks throughout the United States. Sections 7 to 13, inclusive, contain amendments to the Federal reserve act similar to those embodied in part 2 of the Capper-McFadden bill. It is the purpose of this memorandum to discuss those sections of the Lenroot-Anderson bill which relate to the organization of farm-credits departments.

The purpose of these sections appears to be to establish a separate rediscount facility for certain types of agricultural and live-stock paper.

The bill provides in effect for 12 agricultural rediscount banking departments, one in each of the existing Federal land banks. Each such department would have a capital of \$5,000,000 (to which an additional \$10,000,000 might be added with the approval of the President), to be subscribed and paid in by the United States Government. The aggregate capital of all the farm-credits departments might therefore reach \$120,000,000.

To a considerable extent the proposed new rediscount system would perform functions which are already being performed by the Federal reserve banks. Federal reserve banks are now authorized to rediscount for member banks agricultural paper with a maturity up to six months. Under other pending legislation this maximum maturity will be extended to nine months. Under the Lenroot-Anderson bill, however, the farm-credits departments of Federal land banks could discount, for national banks, State banks, trust companies, and certain other enumerated kinds of credit institutions, agricultural paper with a maturity of not less than six months nor more than three years. As far as concerns agricultural paper having a maturity from six to nine months, inclusive, offered by national banks or State banks which are members of the Federal reserve system, the two systems would, therefore, be overlapping.

The main purpose of the bill, however, appears to be to establish a rediscount system for agricultural paper which is not eligible for rediscount in the Federal reserve system, either because of its maturity or because it does not carry the indorsement of a member bank. It is contemplated that such longer term paper shall be made the basis for the issuance of collateral trust debentures, which would be sold in the investment market in the same manner that farm-loan bonds are now sold. These debentures would be exempt from all taxation, State or Federal, including surtaxes, and would be secured by the agricultural paper discounted or purchased by the farm-credits department.

The capital of the farm-credits departments would be completely supplied by the United States Government, and these departments would be operated by directors appointed by the Government. In effect, therefore, the system contemplates a policy of Government ownership and operation of an agricultural banking system through the medium of subsidiary corporations owned and operated by the United States.

It does not appear to be contemplated that the United States shall be legally liable upon the debentures or other obligations of farm-credits departments. Yet the moral obligation would be a strong one, for it is hardly conceivable that the United States Government could permit a corporate subsidiary owned and operated by it to default upon its just debts. In estimating the liability which the Government would assume in enacting

the bill, we must therefore consider not only the technical liability which under the bill might reach \$120,000,000 but also the potential moral liability, which might be in any amount up to \$1,200,000,000.

Before launching the United States Government in a business venture which involves an investment of \$120,000,000 in cash and a possible moral obligation of \$1,200,000,000, the proposed plan should be studied not only with a view to ascertaining whether it is drawn upon sound lines and with proper safeguards sufficient to insure its financial integrity but also to see whether it is effective in accomplishing the purposes which its authors have in mind.

I. THE SYSTEM IS FINANCIALLY UNSOUND.

The farm-credits departments organized under the act are expected to operate principally upon borrowed capital. It is provided that they may issue collateral trust debentures up to ten times the amount of their paid-in capital and surplus. These debentures would be secured by at least a like face amount of agricultural paper bearing the indorsement of the discounting bank or other institution. The financial integrity of the system would depend, therefore, upon three factors: (1) The financial strength of the farm-credits departments primarily and secondarily liable upon the debentures; (2) the financial strength of the bank or other rediscounting institution; (3) the nature and value of the primary paper pledged as collateral.

(1) The farm-credits departments: The capital supplied by the United States Government is expected to stand as a guaranty fund to protect holders of debentures. In estimating the value of this guaranty certain elements of weakness must be considered. There is no requirement that any part of this capital be maintained in liquid form or that a cash reserve be maintained. All the capital might be invested in nonliquid agricultural paper. There is no limit to the amount of paper which may be taken from any one discounting agency in relation to the capital of the farm-credits department; so far as legal limitations are concerned, the whole capital or even more than the whole capital could be invested in paper bearing the indorsement of one bank or other discounting agency. Considering that the liabilities of the farm-credits departments may be as high as ten times the capital and surplus, it is apparent that the value of the guaranty of the farm-credits department would depend to a very large extent upon the value of the agricultural paper in which its assets are invested.

It is true that the debentures of each farm-credits department would be protected by a pro rata guaranty of all other farm-credits departments. The value of this guaranty, however, appears to be overestimated. It is not a joint guaranty. If the assets of a farm-credits department should prove insufficient to pay all its outstanding debentures, the deficiency may be assessed against other "solvent farm-credits departments," but only in proportion to the amount of debentures which each such department has outstanding at the time of the assessment.

A farm-credits department which has issued no debentures but has operated solely upon its capital, although to a high degree solvent would assume no liability for the debentures of any other department. On the other hand, the larger the liability of any department upon its own debentures the larger would be its liability as guarantor of other debentures. Moreover, it is obvious that the guaranty could be enforced only against the unpledged assets of a farm-credits department. Its pledged assets would go primarily to satisfy the debentures which they secure. If, therefore, a farm-credits department had issued its full limit of \$10 of debentures for each dollar of capital and surplus and had pledged, as would, no doubt, generally be required on account of this very liability, agricultural paper of a face value 10 per cent in excess of the face amount of its debentures, it would have no unpledged assets against which its guaranty could be enforced. In general, as a farm-credits department becomes more extended and as its unpledged assets diminish, it would automatically assume a larger share of liability as guarantor. It does not seem that much reliance can be placed upon such a guaranty.

2. The discounting institution: It is apparent, therefore, that unless the paper in which the assets of the farm-credits departments are invested is financially sound, little reliance can be placed upon the liability or guaranty of these departments. The paper will bear the indorsement of the discounting institutions, and the next step in our analysis is to determine the value of this indorsement.

In the original Lenroot-Anderson bill, which had the approval of the Joint Commission of Agricultural Inquiry, the discounting institution could be a national or State bank or a

trust company, savings institution, or incorporated live-stock loan company. In the bill as it passed the Senate there are added rural-credit corporations, incorporated farm-credit companies, cooperative banks, and cooperative credit or marketing associations. The additions are important.

National banks and, to a large degree, State banks, savings institutions, and trust companies are subject to limitations under State or national law and to periodic inspection by State or national examiners. They are required to keep a minimum cash reserve; their investments are frequently limited; there is usually double liability on the part of stockholders; and any tendency toward unsound practices can be quickly checked by State or national banking authorities. Incorporated live-stock loan companies are generally formed on a substantial scale and take only secured paper. In the original bill, therefore, some reliance could have been placed on the indorsement of the discounting institution.

No such safeguards surround the operations of the institutions added by the revised Lenroot-Anderson bill. Rural-credit corporations, incorporated farm-credit companies, cooperative banks, or cooperative credit or marketing associations are enumerated but not defined in the new bill; hence it is impossible to ascertain under what limitations they will operate. There is no requirement that they be subject to periodic inspection, State or national. There is no requirement that they maintain a cash reserve or maintain their capital in liquid form. There is no limitation on the amount which such an institution may lend to one borrower—a limitation essential to sound banking. There is no requirement that capital be paid in in cash. In the case of cooperative credit association—a vague and undefined term—there is no requirement that there be any capital at all.

As amended in the Senate, the bill contains certain limitations on the amount of paper which may be discounted for any one institution, but upon examination it appears that these limitations could hardly be effective. No paper may be discounted for any agricultural credit corporation, incorporated live-stock loan company, or farm-credit company, "which has rediscounted paper equal to or exceeding ten times the paid-up capital and surplus of such company." It will be observed, however, that the limitation refers only to rediscounted paper. A company may be indebted upon its own promissory notes or bonds or other primary obligations in any conceivable amount, and yet it would not be debarred from discounting paper with the farm-credits department. Moreover, there is nothing in the bill to prevent a company from incurring liabilities in any amount which unsound finance might dictate after it has discounted its limit with the farm-credits department. A company with \$10,000 capital could discount \$100,000 of paper with a farm-credits department and the next day borrow \$100,000 more from some other source.

As far as "cooperative credit associations" are concerned, there is no limit whatever upon the amount which they may discount.

Even if the limits which the bill attempts to place were effective, they would be far too high to afford adequate protection. A company taking the best quality of real-estate mortgages or paper secured by live stock or commodities with a safe margin can properly borrow a maximum of ten times its capital. The discounting agencies may, however, do a miscellaneous agricultural business and may make loans without security, or upon questionable security, such as crop mortgages or second or third mortgages on land. For such companies the limit of ten to one is much too high. For banks the limit—unless further restricted by State or Federal law—is five to one. A bank already has demand or short-time deposit liabilities which often exceed ten times its capital and surplus. A law which encourages such banks, in addition, to incur rediscount liabilities equal to five times their capital and surplus, is an invitation to unsound banking and a menace to the public welfare.

It follows, therefore, that no great reliance can be placed upon the indorsement of the discounting institutions contemplated by the bill, since they are not surrounded by the restrictions and safeguards which experience has shown to be essential to sound banking.

3. The agricultural paper: We are thrown back, then, upon the primary agricultural paper upon which the whole system is built. Not only the proceeds of debentures but the whole capital reserve of the discounting institutions, as well as of the farm-credits departments, may be invested in this paper. If the paper is unsound the system is unsound. One might expect to find, therefore, safeguards and limitations thrown about such paper comparable to the safeguards thrown around the farm-mortgage paper upon which the existing Federal farm-loan system is based.

No such limitations or safeguards are provided. Only in the case of direct loans to cooperative producing or marketing associations is there any requirement as to security. Such direct loans must be upon live stock or commodities and must not exceed 75 per cent of their value. These limitations are not applicable to paper rediscounted for banks, rural-credit corporations, live-stock loan or farm-credit companies, or cooperative credit associations.

A farm-credit corporation could invest ten times its capital in crop-mortgage paper, with all its hazards and uncertainties. A cooperative credit association, without a dollar of capital, could make unlimited loans to its members without any security whatever. And such paper, discounted with a farm-credit department, could form the security for debentures issued under Government auspices and sold to investors.

It is apparent, therefore, that the most elementary principles of sound finance have been overlooked in drafting the bill. In its national banking laws the United States Government has set up a standard of sound banking which is regarded as a model among the States. Through the Federal Reserve Board it endeavors to promote sound banking practices on the part of State banks which are members of the system. In its Federal farm-loan system it has set a standard of conservatism and soundness which has won the confidence of investors. It is difficult to conceive that Congress should now stand sponsor for a system which violates every sound banking principle and contains not even the rudiments of safety.

II. THE ADMINISTRATIVE FEATURES OF THE BILL UNWORKABLE.

The discussion heretofore has been of the financial features of the bill. Even the soundest financial plan, however, must depend upon good administration for its success. It is important to examine, therefore, the administrative structure which the bill contemplates, both with respect to the management of the farm-credits departments and with respect to their supervision by the Federal Farm Loan Board.

Nominally, the new powers conferred by the bill are vested in the Federal land banks. These are corporations organized under the farm loan act for the exclusive purpose of making mortgage loans upon farm lands. The last annual report of the Secretary of the Treasury showed that the Government on October 31, 1922, owned somewhat over \$4,000,000 out of a total of approximately \$35,000,000 of the capital stock of these banks, the remainder being owned by local farm-loan associations and to a small extent by individual borrowers. Under the farm loan act the temporary management of these banks is placed in the hands of five directors appointed by the Federal Farm Loan Board. The permanent management was to be in a board of nine directors, of which six, known as local directors, were to be selected by the stockholding farm-loan associations and three, known as district directors, were to be appointed by the Farm Loan Board. In fact, however, the permanent organization has never been effected, a joint resolution, approved January 18, 1918, authorizing the Secretary of the Treasury to purchase farm-loan bonds from the Federal land banks, and, continuing the temporary organization as long as any such bonds are held. The Strong bill, recently reported by the House Banking and Currency Committee, provides for termination of the temporary management and substitution of a permanent board composed of three local directors chosen by the farm-loan associations, three district directors appointed by the Farm Loan Board, and a seventh director appointed by the Farm Loan Board out of three nominees selected by the farm-loan associations.

These boards of directors, whether permanent or temporary, are authorized to elect the president, vice president, secretary and treasurer, and other officers and employees of the Federal land banks, to define their duties, and to dismiss them at pleasure.

Upon this existing structure the Lenroot-Anderson bill superimposes an auxiliary organization designed to exercise the powers conferred in the bill. It is provided that each Federal land bank shall establish "under the supervision of its temporary directors and, after the establishment of the permanent organization, under the supervision of its district directors," a farm-credits department. During the temporary organization, therefore, the five directors appointed by the Government to carry on the farm-loan business will also operate the farm-credits department. Under the permanent organization the three directors appointed by the Government will act, apparently, as a separate board of directors in charge of farm credits. There will, therefore, be one corporation with two boards of directors. Such a situation can hardly promote efficient administration, since the same set of officials and employees will be subject to the orders of two boards of directors.

The most serious objection to the plan, however, is that in either event the operation of the farm-credit rediscount system will be placed in the hands of men who have no special qualifications for the positions. The temporary directors of the Federal land banks have already been selected and are now in office. They were selected, it may be assumed, because of their experience in passing upon real-estate mortgage loans, and not because of their familiarity with loans upon live stock, agricultural products, or growing crops. These directors are to be required to undertake the administration of an entirely new business, enormous in scope, technical, and difficult in its details, and very much more hazardous than the mortgage-loan business which they are now carrying on.

If the Strong bill is adopted at this session—it has not yet passed the House, and has not even been considered by the Senate Banking and Currency Committee—it will be possible to organize the system under the direction of the three "district directors" to be appointed by the Farm Loan Board. These same district directors, however, will constitute the Government representatives upon the board of directors in connection with farm-mortgage loans. Unless an entirely new set of district directors should be appointed, it would be necessary to find among the existing directors of the Federal land banks men who combine the qualifications necessary for both positions. It is by no means certain that such men can be found.

The same difficulty of adapting an existing institution to new and unfamiliar uses will be encountered when we consider the provisions made for supervision of the farm-credits departments. The supervision is placed in the hands of the Federal Farm Loan Board. It has power to make rules and regulations governing the execution of the act, and has virtual control over the operations of the farm-credits departments and their debenture issues. The executive officer of the board has stated at a public hearing that the board does not want to administer the act. None of its members were appointed with a view to their qualifications in administering a rediscount banking system. Nor is it contemplated, in the present draft of the bill, that any new members be appointed for the purpose.

Apart from the difficulty of personnel, the bill contains administrative features which even with the best possible personnel would appear to be unworkable. The provisions of Title I of the farm loan act, relating to the preparation and issue of farm-loan bonds, are made to govern, "so far as applicable," the preparation and issue of debentures issued by farm-credits departments. Under Title I the following procedure is prescribed in connection with issuance of farm-loan bonds: Land banks must first, through the "registrar" of the district (an official appointed by the board), make written application for approval of an issue, tendering with the application the collateral security to be offered.

With the security there must be a schedule and description thereof. It must be checked by the "registrar" and forwarded to the Federal Farm Loan Board. The board is required to "cause to be made such investigation and appraisal of the securities tendered as it shall deem wise" and grant or reject the application in whole or in part. The registrar then attends to the issuance and execution of the bonds and assumes custody of the collateral. The bonds are engraved by the Treasury Department according to prescribed forms.

It is apparent that this machinery, while perhaps appropriate in the case of farm-loan bonds, is not adapted to the needs of short-term or "intermediate" farm credits. It contemplates that the Farm Loan Board shall itself, through agents and inspectors, satisfy itself as to the safety and adequacy of all collateral. A bank in Idaho or a loan company in Oregon may desire to discount a block of paper with the local land bank. The land bank, for fear of tying up its capital in unacceptable loans, will generally be unwilling to discount the paper until it receives the approval of the Farm Loan Board. The paper, comprising perhaps the notes of a hundred or more farmers, is put into shape, financial statements are executed, chattel mortgages and crop mortgages are analyzed and described, and the material delivered to the land bank. It is checked by the registrar and shipped, with his report, to Washington. The board sends out its appraisers, analyzes the hundred or more statements, inspects the chattels and crops, has the debentures prepared, and ships the material back with its approval. By the time the loan is approved and the debentures issued several months may have expired. Such an amount of centralization is not, in the long run, workable in a business in which promptness, flexibility, and adaptation to local needs are as essential as they are in the business of rediscount banking. It is doubtful whether the sponsors of the bill realize, moreover, that it

will necessitate a permanent credit and clerical staff in Washington of several hundred men. The War Finance Corporation, doing a similar business on a smaller scale than is contemplated and with an effective field organization, required a staff of 300 employees in Washington. The 12 land banks may do a business of more than a billion dollars. It is impracticable to operate such a centralized system upon sound lines and yet give satisfaction to the agricultural communities.

III. THE SYSTEM WILL BE INELASTIC.

A fundamental defect in the Lenroot-Anderson bill, from the point of view of the farmers whom it is intended to benefit, will be in its inelasticity. The Federal reserve system is based upon the theory of an elastic currency. As long as reserve requirements are met the Federal reserve banks can issue all the currency that is required for legitimate commercial or agricultural needs. The farm-credits system created by the Lenroot-Anderson bill, however, depends upon the sale of debentures in the investment market. In a time of difficulty debentures may be unsalable. Yet, it is in periods of stress that the farmer is generally most in need of credit. During the collapse in agricultural prices in 1921 the situation was greatly aggravated by a general calling of loans on the part of the banks, due to reduced deposits. A bank has a strong incentive to accommodate its customers in a time of stringency. The investors holding farm-credit debentures will have no such incentive. They will expect that the debentures be paid when due, regardless of the needs of the farmers. To protect their debentures the land banks will be compelled to liquidate their paper, to press it for collection, regardless of the hardships to the farmer. Far from supplying a reserve facility in times of deflation and stringency, the Lenroot-Anderson bill will, therefore, tend to accentuate the stringency and accelerate the contraction of credit.

IV. THE SYSTEM RESTS UPON TAX EXEMPTION.

In its promise of cheap money to the farmer the bill relies mainly upon exemption of debentures from Federal and State taxes. Yet the House has recently passed a resolution for a constitutional amendment prohibiting the issuance of tax-exempt obligations. A proviso exempting farm-loan bonds from the prohibition was rejected. It is difficult to see how the House could consistently within a few weeks authorize the issuance of a large amount of new tax-exempt securities, nor is a possible additional billion of tax-exempt securities to be contemplated without grave concern.

V. OTHER DEFECTS.

There are other defects in the Lenroot-Anderson bill, largely due to faulty draftsmanship, which will be alluded to only briefly:

(a) By providing that debentures shall be payable only out of the assets of farm credits departments the bill might render them nonnegotiable, in view of the provisions of the negotiable instruments law.

(b) The bill provides that discount rates shall not exceed by more than 1 per cent the rate borne by the last preceding issue of debentures. (Sec. 202.) It also contemplates that collateral may be segregated, so that high-grade paper, e. g., warehouse receipt paper, may be made the basis of a separate issue, and thus obtain the benefit of the lower interest rate to which its credit standing entitles it. (Sec. 201 (b).) If the last previous issue was based on such high-grade paper, this would set a standard for discount rates for all paper, whether high grade or otherwise. In a period of rising rates the banks might find their operations paralyzed by this limitation.

(c) Moreover, the makers of the high-grade paper would not get the benefit of the lower rate to which their paper is entitled, since discount rates must apparently be uniform to all.

(d) The provision which purports to limit to 1½ per cent the amount which a discounting institution may charge for its indorsement is inaptly drawn. Any paper upon which the borrower "has been charged" more than 1½ per cent in excess of the discount rate is ineligible. There is no criminal penalty for any evasion of the act. Moreover, a bank which has paper upon which a greater rate has been charged can not make such paper eligible by rebating the excess to the borrower. Unless the discount rate is high there will, therefore, probably be but little eligible paper in the Western and Southern agricultural States, where interest rates are often as high as 10 and 12 per cent.

(e) The provision relating to distribution of earnings is incomplete. No disposition is made of earnings above dividends and above the 25 per cent to be used to retire stock.

(f) There is no provision for liquidation of farm credits departments or administration in the event of insolvency.

(g) No provision is made for suits by or against farm credits departments.

(h) Agricultural paper is not correctly defined. Only paper the proceeds of which have been used for an agricultural purpose is eligible. Paper "issued" for an agricultural purpose, such as fertilizer notes or notes evidencing purchase of live stock or farm supplies, is apparently not eligible, since "proceeds" of such notes are not generally used for an agricultural purpose. The corresponding definition in the Federal reserve act covers both types of paper.

FUNDING OF FOREIGN DEBT.

Mr. FORDNEY. Mr. Speaker, I call up from the Speaker's table the bill (H. R. 14254) to amend the act entitled "An act to create a commission authorized under certain conditions to refund or convert the obligations of foreign governments held by the United States of America, and for other purposes," approved February 9, 1922, with Senate amendments thereto, and I move that the Senate amendments be agreed to.

The SPEAKER. The gentleman from Michigan calls up the bill H. R. 14254, with Senate amendments thereto, which the Clerk will report.

The Senate amendments were read.

Mr. FORDNEY. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. BURTON].

Mr. BURTON. Mr. Speaker, there are four amendments to this bill which were added by the Senate. Two of those amendments pertain to form merely, and two to substance. The first amendment was made necessary by the fact that the report of the commission to the President, which was by him transmitted to the Congress, was not clear in its statement of the interest to be paid upon the bonds to be given by the British Government. To correct this an amendment was proposed while the bill was under consideration in the House, and that amendment was adopted. When it was adopted, however, it was not in line with reference to the report of the commission and the message of the President, so the first amendment strikes out the reference to the report and to the message and independently states the terms of settlement with Great Britain.

The second amendment is merely one of quotation marks.

As the bill originally passed the House double quotation marks were required, because there was one quotation and in that quotation was a quotation of other material. It was made simple.

The third amendment, however, goes to the substance. Instead of the House provision, that—

similar settlements, but not more favorable in terms, with other governments indebted to the United States are hereby authorized to be made, subject to the approval of the President—

The provision is made—

that there may be settlements with other governments indebted to the United States upon such terms as the commission created by the act approved February 9, 1922, believe to be just, subject to the approval of the Congress by act or joint resolution.

In other words, the commission does not have the power to conclude any settlement with the approval of the President. Whatever settlements it judges to be proper and just must be submitted to the Congress for approval by joint resolution or by act. I may say that the commission has no objection whatever to this amendment. There is, however, one objection which might assume considerable importance. We have just made a settlement with Great Britain, which is a favorable one, and that would naturally act as a spur to other governments to conclude settlements. Action upon such possible settlements is now postponed until Congress meets again next December. However, I do not regard that as a very serious objection. It will be remembered that the House voted by about 180 to 130 on the 24th of October, 1921, against bringing back these settlements to Congress for approval; but in our consideration here a couple of weeks ago I think it worked well to leave it to the House, because the Members, instead of tearing the settlements to pieces, took it up as a general proposition, as an entirety. Then there is one other thing which I think is very much to the credit of this body; there was a nonpartisan spirit manifested, and a large majority of those on the other side voted in favor of the settlement. I think those who voted against it did it more as a perfunctory act, with the view that in so doing they were performing the duties of a minority.

The fourth amendment, which is also one of substance, changes the commission in its membership from five to eight, providing that the Secretary of the Treasury shall be ex officio a member and that the other seven shall have not more than four of any one political party. That leaves on the commission the present members and requires the appointment of three others, whom I fancy it is intended shall be of the Democratic Party. That will evoke the applause of some, and personally I have no objection to it, though I really think five a better num-

ber for such a commission than eight. The controlling fact in favoring acceptance of the amendments is this: This is a great international settlement which has to do with the stability, financial and political, of the whole world. When the proposition was put up to the British cabinet, the Chancellor of the Exchequer arriving from this country on Friday night, the British cabinet on the following Tuesday, only three or four days later, agreed to it; and it is well for us to agree to it promptly without any delay such as would be incident to the appointment of a conference committee, and without any further discussion in the Senate, where discussion, free to all, has already expanded to what some think—and I share that opinion—to unreasonable limits. One other point: I trust, Mr. Speaker, if similar settlements with other nations are referred again to Congress there will be an absence in the discussions here and in the other body of those attacks upon the country with which we are dealing, which characterized some of the discussion of the settlement with the British Empire. Such attacks as were made, if they were taken seriously in diplomatic circles, might strain our relations with other countries.

We are not doing credit to ourselves as a legislative body when any of us gives free rein to these expressions of criticism and expressions of dislike of other countries. There are certain standards of politeness and comity between nations which we should preserve in all our transactions. I trust if the commission should agree upon other settlements to be brought back here the discussion will be free from the animadversions which developed in another body in the discussion of this subject. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. COLLIER].

Mr. COLLIER. Mr. Speaker. [Applause.] This is a unanimous report from the Committee on Ways and Means to agree to the Senate amendments and it is very gratifying, I may say, in the brief time at my disposal this morning, to us who in October, a year and some months ago, fought so hard to have the final disposition of this matter referred to the Congress to find that this has now been done. I also want to congratulate the country that there has been a return to some semblance of fair play by bringing in a provision whereby three Members of the minority may be represented on the commission charged with the duty of making settlements in which thousands of American people who belong to the minority are interested. I yield the remainder of my time to the gentleman from Arkansas [Mr. OLDFIELD]. [Applause.]

Mr. OLDFIELD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. OLDFIELD. Mr. Speaker, when this bill passed the House on February 9 I made an argument on the floor in opposition to its terms. I felt then that I made a legitimate argument against the bill and feel so yet. The crux of my argument was that the British taxpayers should pay the same rate of interest on the bonds they issue, with which to pay their obligations to us, that our taxpayers must pay on the bonds we issued when we loaned the money to Great Britain. As I said, I feel that this is not only a legitimate argument but a reasonable and sound argument. I was taken severely to task by the Wall Street Journal of date February 10, and was criticized and abused by this great representative of Wall Street financiers and international bankers, and I shall place this article in the Record to show how the representatives of Wall Street interests abused me for my attitude.

[From the Review and Outlook.]

CRITICS OF BRITISH REFUNDING.

Representative OLDFIELD, of Arkansas, speaking of the British plan for refunding the debt to us, is reported as declaring, "While it is said that this settlement comprises the best terms possible, I do not know whether they are or not." There is not space in this column, or perhaps in this whole newspaper, to discuss so vast a subject as what Representative OLDFIELD doesn't know. What he does know could be dismissed in about three lines, after deducting the things he knows which are not so. He speaks of taking the "people's" money at 4½ per cent to lend it to the British at 3 per cent. He estimates this difference at some figure approximating \$1,000,000,000, apparently by multiplying 1½ per cent by the extreme limit of the period, and doing it incorrectly.

But the American people are buying their own 4½ per cent bonds in the market through the Secretary of the Treasury, and he is doing his necessary new borrowing at lower rates. To exact a usurious interest from the British for more than half a century, on the theory that we once paid 4½ per cent ourselves, may sound like good finance in the Ozarks and it would be popular in Hester Street, New York. But whatever we may have paid for money under the pressure of war, we can not charge more than the rate of interest on a credit as good as that of the British, which credit will be at less than 3 per cent long before the first 10 years are over.

And what Mr. OLDFIELD, of Arkansas, did not learn at the crossroads grocery, where he obtained his conceptions of international

finance, is that the period he uses with which to multiply the difference of 1 per cent in interest includes the complete amortization of the loan. (Amortization means the provision for repayment, Mr. OLDFIELD.) One of the greatest weaknesses of popular government is that it is average government and never expert government. It is necessary to get it down to the intelligence of a Congress of OLDFIELDS. But the OLDFIELD has always the first characteristic of ignorance. It by turns despises, distrusts, and fears what it does not understand. Thus Congress adds another interest limitation to the refunding bill, totally unnecessary and operating as a bar to settlement with other nations, exactly as the meddlesome and unintelligent limitation of 4 per cent over 25 years acted in the present case.

Nothing could have done more to stimulate international good will and also to relieve the burdens of the American taxpayer, with their hampering restrictions upon American business and credit, than a unanimous acceptance of the Debt Commission's terms by a rising vote. This was the gracious thing to do. The American taxpayer will not lose a penny by the difference in bond interest, because the Treasury can buy Liberty bonds in the market and refinance at whatever the current rate of interest may be. To what a point have we come when we confuse boorish insolence with democracy?

When you have read this article you will realize that the Wall Street Journal made no argument in refutation of the argument which I made, but confined its statement to the lowest sort of criticism and abuse. In my reply I shall not stoop to the level of the Wall Street Journal. I have no desire to enter into a controversy with this paper, but my advice would be that when they criticize a Member of Congress they should refute the arguments of the Member of Congress, instead of descending to the low level of this article. Mr. Speaker, I have been in Congress now 14 years. I was born and reared in my district within 25 miles of where I now reside. No better people live than the people of my district. I did not come here to represent the ideas of Wall Street, the international bankers, or the Wall Street Journal, but, on the contrary, I came here to represent the plain people of my district and State, and the honest taxpayers of the country. I still contend that we should not be any more generous to the taxpayers of a foreign country than we are to the taxpayers of our own country. [Applause.]

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. OLDFIELD. I will yield.

Mr. BLANTON. I want to ask the gentleman from Arkansas if this commission that made this settlement with the British Government had not been lenient and generous, how could the British Government pay these £100,000 gratuities to these big admirals and generals and lesser gratuities to these lesser officers? We had to make some kind of provision out of the American exchequer so that these gratuities could be paid in England.

Mr. OLDFIELD. In answer to the gentleman I will say that in the speech that I delivered on the 9th I used practically this language, that I thought if there had not been so much drum beating around the world by England she would probably have more money with which to pay her debts. I have heard the statement made in regard to this piece of legislation that we are helping our own people indirectly when we are giving a generous treatment to Great Britain, because then they will have money with which to purchase our surplus products, and it would thus be of indirect benefit. In the language of my friend from New York [Mr. COCKRAN], I would be very glad to see Congress begin to help the people directly instead of helping them indirectly. [Applause.]

Mr. STEAGALL. Will the gentleman yield?

Mr. OLDFIELD. I will.

Mr. STEAGALL. If we are going to start out showing favors at the expense of this Government to the other governments based on the idea that it will revive international trade, had not we better get busy and pass the bills now pending in both Houses of the Congress to provide for the lending of a couple of billions to Germany in order that they may begin to pay?

Mr. OLDFIELD. Well, the one argument is just about as sound as the other. I will say to the gentleman, however, I would not be in favor of lending any more money to foreign governments. [Applause.]

Mr. FORDNEY. Mr. Speaker and gentlemen of the House [applause], the two principal amendments to this bill do two things. First of all, it retains to the Congress of the United States the right finally to approve future settlements made by the commission with foreign governments. Secondly, it removes absolutely from the commission any possibility of politics. I hope that the amendments will be agreed to unanimously in the House. And, Mr. Speaker, I ask unanimous consent to print as a part of my remarks a statement recently made by a Presbyterian minister of Toronto, Canada, a very dear and long-time friend of mine, in which is pointed out the differentiations between socialism, communism, Bolshevism, anarchism, and nihilism, and such "isms." It is information to me, and it is a very clear explanation of the sentiments found in those different "isms," and I would like to have it printed for general use for the public because it is valuable information.

The SPEAKER. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD in 8-point type for the purpose indicated. Is there objection?

Mr. BLANTON. Reserving the right to object, Mr. Speaker, does this Presbyterian minister condemn these "isms" or adopt them?

Mr. FORDNEY. He condemns them where they are un-American.

Mr. BLANTON. That is, he condemns them?

Mr. FORDNEY. Yes; he condemns them severely.

Mr. BLANTON. I have no objection. [Applause.]

The SPEAKER. Is there objection?

There was no objection.

Following is the document referred to:

THE MENACE OF BOLSHIEVISM, ITS CAUSE AND CURE.

[A sermon preached in the First Presbyterian Church, Victoria, British Columbia, Sunday evening, April 6, 1919, by Rev. John Gibson Inkster, B. A. The first of a series of sermons on "The crisis and the Christ," or "Reconstruction and religion."] 2

"Then said Jesus unto his disciples, if any man will come after me, let him deny himself and take up his cross and follow me." (Matthew, 16-24.)

"And one of the company said unto him, Master, speak to my brother, that he divide the inheritance with me." (St. Luke, 12-13.)

"We then that are strong ought to bear the infirmities of the weak, and not to please ourselves." (Romans, 15-1.)

"For the love of Christ constraineth us; because we thus judge, that if one died for all, then were all dead." (II Corinthians, 5-14.)

"In discussing this subject it is well for us first to give the definition and meaning of the word 'Bolsheviki' and also the word 'soviet,' for a good deal of confusion exists in the public mind on the meaning of these two terms.

"The term 'soviet' means 'the council of workers, soldiers, and peasants'—it is a political institution by means of which an empire, province, city, town, or village may be governed. The term 'Bolsheviki' means 'those of the majority'—it is a political party in the soviet—that party which controls the government of Russia to-day. Bolshevism is the principles, methods, and rules which dominate this party. As the word implies, it represents the great mass of the Russian peasantry, than which there is no finer peasantry in the world.

"Russia for the first time in her history has a government of the people, for the people, and by the people. This is the thing which the socialists of America, Britain, and Germany, the communists of France, and the anarchists of Russia have been trying to get for many years. In this sense Bolshevism is simply a new name for an old movement. It is in reality anarchy realized which means the abolition of existing institutions—social, industrial, and political—and the substitution thereof of government by the majority.

"Now, some may wonder why I, a Presbyterian minister, should discuss this subject in a church on Sunday night. My answer is: This is a subject which is vitally interesting and affecting the people in the church, and I consider it my duty to deal with such a subject in the light of the teaching of God's word. I am dealing to-night with the great theme of 'The crisis and the Christ' or 'Reconstruction and religion,' and surely it is necessary to discuss Bolshevism in the light of that theme. For that reason my address to-night is not a disquisition on philosophy, economy, or society, but a sermon on religion.

"As already hinted, in dealing with Bolshevism we are really dealing with a phase of socialism—a phase which is largely determined by the influence of time and place. As a rule socialists believe somewhat differently from Bolshevists, but they have this in common at least—as Pat is reputed to have said—'We are agin' the government'; both are thoroughly dissatisfied with the present order of private ownership. And let me say in passing, there are millions who are neither socialists nor Bolshevists who are dissatisfied and disgusted with this present order of things. As we witness the selfish avarice, the unscrupulous profiteering, and the consequent vulgar display on the one hand, and on the other the intolerable inconveniences, the grinding poverty, and the unbearable suffering, no one with an atom of human feeling can remain silent or inactive under the present order.

"It so happened in Russia that the people got an opportunity of dealing successfully with these conditions, and at the same time with the persons large responsible, namely, the landowners, the aristocrats, and plutocrats. When the people of Rus-

sia got that chance they dealt with these conditions and classes in one tremendous blow. They had a real, live revolution, turned things upside down and inside out. Their act was extreme, but their answer was: We have suffered for centuries under these conditions and at the hands of these tyrants.

"This last remark suggests that we should now consider the causes which brought Bolshevism into existence. In order to do that, let me in a word differentiate between socialism, communism, anarchism, nihilism, and Bolshevism.

"Socialism is an economic theory which proposes the abolition of private capital and the substitution of collective ownership in carrying on the industrial work of the world. Communism advocates the collective ownership of all wealth. Anarchism advocates in addition the abolition of all government, by force if necessary. Nihilism is an extreme form of anarchism, if that were possible, and advocates the violent abolition of all existing institutions, social and political. It is difficult to determine just what Bolshevism advocates. Some say it is simply 'Marxian socialism plus machine guns.' We do know that it advocates all that socialism advocates, and in addition demands the abolition of all class distinctions and all government by the classes. The constitution of July, 1918, may be summarized thus: 'They demand not reform but reconstruction. Regeneration of the individual is useless, for the cause of the evil is not sin but poverty. Therefore, the present material conditions must be changed.'

"The cause which brought Bolshevism into existence is existing wrongs, and Bolshevism in Russia is a successful protest against these wrongs. In so far as Bolshevism is a protest against existing wrongs, the protest of Bolshevism is the protest of all organized, vital Christianity. Further, where no organized, vital Christianity exists there is not, never has been, and never can be any protest. I will not permit, so far as I am concerned, organized, vital Christianity—which is the church of the living God—to be identified with or tied up to any political, social, economic, or other party. The church of God must not be the slave or even servant of capital or labor in any of its organized forms. She must make her own protest, and when alive she does make it.

"Not only is the protest at the heart of Bolshevism the protest of the Christian church, but, further, many of the principles of Bolshevism are the principles of the church—principles which Christ propounded when on earth—e. g., liberty, fraternity, and equality. But when the socialistic alliance declares itself atheist and demands the abolition of all worship, of marriage, of classes, and the right of inheritance; when the Soviet of Saratoff, Russia, declares that 'from March 1, 1919, the right to possess women of the ages of 17 to 32 is abolished'; when H. G. Wells declares 'the socialist no more regards the institution of marriage as a permanent thing than he regards a state of industrial competition as permanent'; when Bebel, another socialist, declares 'the idea of God must be destroyed; atheism is the root of liberty, equality, and fraternity'—when such representative men and institutions proclaim such pagan perversions of principles, I, as a minister of the church of Jesus Christ, repudiate such teaching, denounce such leaders, and, in so far as any community is misled by them, I absolutely disassociate myself from them.

"But I am now at the point where I must state, as I understand it, the position and attitude of the church of God to Bolshevism in all its aspects and phases. And in doing so I want to do it in as kind, firm, and unmistakable a fashion as I am capable of. My whole-hearted sympathies are with the workers among whom I was born, among whom I have lived, and among whom I hope to die, and all my feeble efforts have been and will be put forth on behalf of that class. In doing this, I pray God to help me to be kind and fair to all men, but my sympathies and efforts are with the struggling, suffering, sorrowing common people.

"Having said that, let me proceed to say the church of God must, in these days of reconstruction, place far greater emphasis on the social principles of Jesus Christ. She must never neglect the great salvation of the immortal soul but she must reaffirm 'the sacredness of the state and the truth that government is a divine institution; this means a new emphasis in the duties of Christian citizenship.' Further, the church must proclaim anew the teaching of the stewardship of wealth. There are many so-called Christians and church members who persistently demand a 'simple gospel' and are uneasy when anything is said about money and stewardship. The fact is the church has been allowing hundreds—yes, thousands—to steal and thieve and rob not only from their fellow men but also from God himself, and she has never even uttered a protest. No wonder the world and the workingman say the church has

failed. As a minister belonging to the church, I know the church has not failed, but I can easily understand how the man in the street or even the man in the pew (whose religion consists in going to church once a Sunday when the weather is fine and he has nothing else to do) would not only think so and say so but believe so.

"But when we are allowing fair criticism of the church what shall we say by way of criticism of Bolshevism? In so far as Bolshevism expresses the protest of the people of Russia against the injustice and oppression of the autocrats I have only words of commendation to offer. On the other hand, when the Bolsheviks place themselves in the hands of or allow themselves to be led by such men as Lenin and Trotsky, then I have a different matter to consider. These two men, when my country was in a death struggle with an unscrupulous enemy and gasping for existence, were plotting with the enemy or conspiring against my country; therefore I must denounce these men and repudiate the party which is following them. These men can not be trusted, and the Bolsheviks whom they lead—in so far as they follow—can not be trusted. This is a matter which admits of no compromise. As at present constituted the Bolsheviks in Russia are not only the enemies of the empire, they are the enemies of the church of Jesus Christ and of God himself. Therefore I resist them to the limit of my power.

"Another matter which makes Bolshevism a menace is its teaching and practices regarding marriage. Some may say the rank and file of the Bolsheviks don't seek to abolish marriage. I answer: 'Their leaders do, and they follow their leaders.' Further, the teaching of the leaders on marriage is the only logical outcome of their first principles. If there is to be no private ownership, we can not stop at a certain point; we must go the whole way and, as Wells says, abolish marriage as we abolish industrial competition.

"The most serious criticism which I have to offer against Bolshevism—and Marxian socialism which lies back of it—is the avowed and practical denial of God. It is a most serious matter when it is deliberately declared that 'the idea of God must be destroyed—atheism is the true root of liberty, equality, and fraternity.' We who are believers must resist this with might and main.

"If there be no God, then man is without hope and is indeed lost, with all the awful meaning of that word. Not only so; but, if this doctrine can be successfully propagated, instead of liberty we will get lawlessness, instead of equality we will get inequity, and instead of fraternity we will get fatalism. If these are to be the principles of our future democracy, then we must begin at once to make the world safe not for but from democracy. By God's help I shall not only resist but denounce and seek to destroy all such doctrines to the limit of my ability. If the workers, soldiers, and peasants identify themselves with such doctrine, then the old corrupt order is infinitely to be preferred.

"The question may now be fairly asked: 'Has the church any positive constructive contribution to make in this crisis?' I answer: 'Thank God, yes! The church has still enough vitality to make a tremendous contribution.'

"The State can do something in this crisis—but acts of parliament can not reconstruct society. The problem with which Bolshevism is struggling to-day—the problem which is facing us, for we have a similar problem here in Canada—is a political, economic, and educational problem, it is true. But it is far more. It is first and foremost a religious problem. It must begin with the individual, and the first lesson which the individual must learn is the lesson which the Master taught Nicodemus—'You must be born again.' That must be man's starting point, and upon that he must proceed. In other words, the old and almost forgotten doctrine of conversion must be revived and enforced. Unless church people and other people believe in and demand regeneration as a sine qua non of reconstruction there can be no stability for the present nor hope for the future.

"Thank God, there are men to-day in every walk in life who still believe in the necessity and possibility of conversion. A short time ago the Wall Street Journal (a financial paper) declared: 'What we need to-day more than railway extension, western irrigation, a low tariff, a bigger wheat crop, and a merchant marine is a revival of piety—the kind that mother and father used to have, the kind that counted in good business.' That conversion is possible has been made abundantly clear from a scientific viewpoint in a recent book on psychology by Professor Ward, of Cambridge, in which he states that 'Conversion is a fact and is common in human experience.' That conversion is possible and necessary has been made more abundantly clear in that wonderful book on 'Twice Born

Again,' by Harold Begbie. There he tells of 22 men who, by the grace of God and through the Salvation Army, were born again—converted.

"A selection from the record of one will suffice. He is taken from the class to which Bolshevism is making an appeal and is supposed to minister. Begbie calls him 'the plumber.'

"At 16 years of age he was 'earning a tradesman's wage; an income sufficient to provide for a family, but not enough to satisfy his craving for drink after he got married. Every Saturday night meant a drunken bout and a beating for his wife and young family. In despair his poor wife entered the bar where he was drinking and tried to get him home. Maddened with drink he cried: 'For God's sake, woman, go * * * or I'll sign the pledge.' 'You've done that often enough already and you've wetted it every time.' For some reason the retort brought him to his senses. That night he sought out a converted chum and went with him to the Salvation Army meeting. 'Charlie,' he said, 'I want to get out of what I am in.' Said his chum, 'Well, just get down and tell God that; tell God you are up agin it and He's got to help you or you are doomed and will shortly be damned.' The plumber knelt in prayer and was gloriously saved. When his drinking chums heard it they turned against him. When sneers and jeers failed they demanded and got him discharged. For months he hunted a job, but failed. The only thing which encouraged him so far as human help was concerned was the kiss and affection which he got from his wife and children. At last, in despair, he cried, 'Oh, God, don't forsake me. You know I love you and I am going to do my best.' By the help of God he won against the world, the flesh, and the devil. Begbie tells us: When he went to visit that home he found a neat, clean place and a happy family. The plumber said: 'I used to hang pictures on my wife's face that were heartbreaking to look at; I have taken them off and instead I have put smiles on her face and lovely pictures on the wall.'

"This story will illustrate the possibility and necessity of conversion in reconstruction. As Begbie concludes: 'Surely this story must bring home to the politician and sociologist the great truth that the one hope of regeneration is in the Christian religion—the one guaranty for a noble posterity—and there is really no other hope.'"

Mr. FORDNEY. Mr. Speaker, I move the previous question on the Senate amendments.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

ASTORIA, OREG.

Mr. COLLIER. Mr. Speaker, I ask unanimous consent that the minority members of the Committee on Ways and Means may have two days in which to file a minority report on House Joint Resolution 449, which was reported by the Committee on Ways and Means yesterday; two days.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that the minority of the Committee on Ways and Means may have two days in which to file a minority report on House Joint Resolution 449.

Mr. GREEN of Iowa. What is that resolution?

Mr. COLLIER. That is the Astoria bill.

The SPEAKER. Is there objection?

There was no objection.

READING WASHINGTON'S FAREWELL ADDRESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that immediately after the adoption of the rule to be presented by the chairman of the Committee on Rules, it may be in order for the Speaker to recognize some Member of the House to read Washington's Farewell Address.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that immediately after the adoption of the rule to be presented by the chairman of the Committee on Rules it may be in order for the Speaker to recognize some Member of the House to read Washington's Farewell Address. Is there objection?

Mr. RAYBURN. Reserving the right to object, Mr. Speaker, I desire to ask the gentleman from Wyoming a question. What rule does he refer to?

Mr. MONDELL. The rule that will be presented immediately by the chairman of the Committee on Rules.

Mr. RAYBURN. On what?

Mr. MONDELL. I believe the rule relates to the Alien Property Custodian's office.

Mr. RAYBURN. That is exactly what I intended to remark about. I do not think there are more than two or three members of the committee that had any idea that this bill was

likely to come up. We had a session of the committee this morning, and nothing was said about it. It is of tremendous importance. We should certainly have liked to have received a day's notice.

Mr. MONDELL. Mr. Speaker, that has nothing to do with my request. My request was simply with regard to the reading of the Farewell Address of the Father of the Country.

Mr. RAYBURN. I know; but I thought the time was a little short; a rule presented here when the minority has had no notice whatever of what was coming up.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

TRADING WITH THE ENEMY ACT.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged resolution from the Committee on Rules.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House Resolution 514.

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 14222) entitled "A bill to amend the trading with the enemy act." That after general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled between those for and against the bill, it shall be read for amendment under the five-minute rule. At the conclusion of such consideration, the committee shall report the bill back to the House and the previous question shall be considered ordered on the bill and amendments to final passage.

Mr. CAMPBELL of Kansas. Mr. Speaker, this rule provides for the consideration of what is known as the Alien Property Custodian legislation. In short and in substance the bill provides for the return of property belonging to alien Germans seized during the war to the amount of \$10,000. If an entire estate seized amounted to \$10,000, the entire estate will be returned under the provisions of the bill, and otherwise \$10,000 of any estate will be returned to the owners.

At present it does not seem wise to give four hours of general debate to a matter that must be decided to-day. The bill contains some 15 pages. General debate rarely settles anything with respect to the provisions of a bill, and I therefore ask unanimous consent to change the time for general debate provided in the rule, as agreed upon by the Committee on Rules, from four hours to two hours.

Mr. GARRETT of Tennessee. I object.

The SPEAKER. Objection is made.

Mr. CAMPBELL of Kansas. Then, Mr. Speaker, I move to amend the rule by inserting "two" hours instead of "four."

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Kansas.

The Clerk read as follows:

Amendment offered by Mr. CAMPBELL of Kansas: Page 1, line 7, strike out "four" and insert in lieu thereof "two."

Mr. CAMPBELL of Kansas. Mr. Speaker, I move the previous question on the amendment.

Mr. GARRETT of Tennessee. Mr. Speaker, I make the point of order that the gentleman, when he offers an amendment, loses the floor, and that I or some one else is entitled to recognition in opposition.

The SPEAKER. The Chair does not see why; but the Chair will hear the gentleman on that. If he yields the floor to another to offer an amendment he loses the floor, but not if he offers the amendment himself.

Mr. GARRETT of Tennessee. Mr. Speaker, is not the gentleman entitled to be heard against the amendment? Can the gentleman take the floor, offer an amendment, and move the previous question on that amendment?

The SPEAKER. Of course the gentleman is entitled to be heard if the House wishes to hear him, if the House votes down the previous question; but the Chair thinks the House has the right to decide whether it will hear debate.

Mr. GARRETT of Tennessee. Of course I yield to the decision of the Chair. I just want to say this—

The SPEAKER. The Chair will hear the gentleman from Tennessee.

Mr. GARRETT of Tennessee. I just want to say this, that there will not be any two hours gained by this sort of procedure.

Mr. BLANTON. May I call the attention of the Chair to a direct precedent on the matter? During the Sixty-sixth Congress—

The SPEAKER. The Chair would like the gentleman to cite the precedent.

Mr. BLANTON. I will cite the precedent. In the Sixty-sixth Congress, when I had certain resolutions of inquiry before the House and on one of them I offered an amendment, the

gentleman from South Carolina [Mr. STEVENSON] claimed the floor, and Mr. Speaker Clark held that by offering the amendment to the resolution I lost the floor, and he recognized the gentleman from South Carolina [Mr. STEVENSON].

The SPEAKER. The Chair can not see any logic in such a decision.

Mr. BLANTON. But that is the precedent, and Mr. Speaker Clark stated that it was based upon a long line of precedents.

The SPEAKER. Mr. Clark was not Speaker in the Sixty-sixth Congress.

Mr. BLANTON. At the time I offered the resolution Mr. Clark was Speaker and was in the chair.

The SPEAKER. The Chair overrules the point of order.

Mr. GARRETT of Tennessee. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Tennessee makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

Ansorge	Dyer	Kreider	Ryan
Arentz	Elliot	Kunz	Sanders, N. Y.
Barkley	Fairfield	Lampert	Schall
Beedy	Fitzgerald	Lee, Ga.	Scott, Mich.
Benham	Freeman	Lee, N. Y.	Scott, Tenn.
Bird	Funk	Lyon	Shaw
Bland, Ind.	Garner	McFadden	Shelton
Bond	Gifford	McPherson	Siegel
Bowers	Goodykoontz	Martin	Slomp
Brand	Gould	Michaelson	Smith, Mich.
Brennan	Graham, Pa.	Mills	Snell
Britten	Hays	Moore, Ohio	Stiness
Brooks, Ill.	Henry	Moore, Ind.	Stoll
Burdick	Hicks	Morgan	Sullivan
Burke	Hoch	Morin	Summers, Wash.
Byrnes, S. C.	Huck	Mudd	Swing
Cantrill	Hutchinson	Nolan	Taylor, Ark.
Carew	Johnson, Miss.	O'Brien	Thomas
Chandler, N. Y.	Johnson, Wash.	Olpp	Thorpe
Clague	Jones, Pa.	Overstreet	Tucker
Classon	Kahn	Park, Ga.	Upshaw
Clouse	Keller	Petersen	Voigt
Codd	Kelly, Pa.	Pringley	Volk
Collins	Kennedy	Rainey, Ala.	Ward, N. C.
Connolly, Pa.	Kiess	Reber	Watson
Cooper, Ohio	Kindred	Riddick	Webster
Cramton	King	Rodenberg	Wheeler
Crowther	Kitchin	Rose	Williams, Tex.
Davis, Minn.	Klecza	Rossdale	Wise
Drane	Knight	Rucker	Wood, Ind.

The SPEAKER. Three hundred and seven Members have answered to their names. A quorum is present.

Mr. TILSON. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from Connecticut moves to dispense with further proceedings under the call. Without objection, it will be so ordered.

There was no objection.

LEAVE OF ABSENCE.

Mr. COOPER of Wisconsin. Mr. Speaker, I ask unanimous consent that Mr. LAMPERT be given indefinite leave of absence because of a death in his family. He went to Wisconsin yesterday.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that his colleague [Mr. LAMPERT] be given indefinite leave of absence. Is there objection?

There was no objection.

TRADING WITH THE ENEMY ACT.

Mr. GARRETT of Tennessee. Mr. Speaker, before the gentleman from Kansas moves the previous question will the gentleman yield to me?

Mr. CAMPBELL of Kansas. I want to make a statement that I think will satisfy the gentleman. When I offered the amendment cutting down the time for general debate from four hours to two hours it was with a view to securing action on the bill to-day. It was stated on yesterday that the House would recess somewhere around 5 o'clock this afternoon until 8 o'clock in the evening to consider bills on the Private Calendar. That would give only in the neighborhood of an hour for the consideration for amendment of a bill of 15 pages covering very important legislation; but I understand that it is agreeable to gentlemen to remain in session until as late as half past 6 in order to secure final action upon this bill. In view of that I withdraw the amendment that I offered.

Mr. COOPER of Wisconsin. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOPER of Wisconsin. Did the gentleman from Kansas say that all debate would be closed at half past 6?

Mr. CAMPBELL of Kansas. No; I said that the resolution provides for four hours of general debate, and we hope to have the bill concluded by half past 6.

Mr. GARRETT of Tennessee. Will the gentleman yield to me a minute?

Mr. CAMPBELL of Kansas. I yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. Mr. Speaker, this bill involves one of the most important subjects that has been before this Congress, and, so far as I know, there has been no disposition among members of the minority either on the Committee on Interstate and Foreign Commerce or on the Committee on Rules to try to prevent in any way the consideration of this measure. Its consideration to-day did come as a surprise to the minority members of the Committee on Interstate and Foreign Commerce. There had been an agreement in the Committee on Rules, after discussion with members of the Committee on Interstate and Foreign Commerce, both formally and informally, that there should be four hours of general debate. I think the importance of the subject, compared with other subjects that I know are scheduled, justifies four hours of debate, and it was for that reason that I felt disposed to take the course I did.

Now, let me say, speaking for myself and myself only, I have no objection to remaining in session until 6.30, but I do not profess to try to bind others to that agreement.

Mr. CAMPBELL of Kansas. Mr. Speaker, I ask for a vote on the resolution.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

WASHINGTON'S FAREWELL ADDRESS.

The SPEAKER. Under the unanimous-consent agreement, the Chair will designate the gentleman from Oregon [Mr. HAWLEY] to read Washington's Farewell Address.

Mr. HAWLEY read Washington's Farewell Address, as follows:

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority,

of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives of diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight

shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the secure enjoyment of indispensable outlets for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalry alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its bands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western*; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head; they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfac-

tion at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic States, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the Constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion; and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the danger of them on geo-

graphical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foment occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchical cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence

of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, even-tempered, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes

even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be constantly awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the Government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation.

It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without anything more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

[Applause, Members rising.]

AMENDING THE TRADING WITH THE ENEMY ACT.

Mr. NEWTON of Minnesota. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 14222) to amend the trading with the enemy act.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. ANDERSON in the chair.

The Clerk read the title to the bill.

Mr. NEWTON of Minnesota. Mr. Chairman, I move to dispense with the first reading of the bill.

The motion was agreed to.

Mr. NEWTON of Minnesota. Mr. Chairman, in general the major purpose of the bill before us is to make partial return of alien enemy property seized during the war by the Alien Property Custodian under the trading with the enemy act.

The Great War broke out in Europe the forepart of August, 1914. From that date on and until April 6, 1917, the United States was a neutral power and as such enjoyed certain rights under international law and also by virtue of certain treaties theretofore made with the German Government. The first of these treaties was a treaty of "amity and commerce," concluded between the United States and Prussia in 1785. I quote from article 12 thereof, as follows:

If one of the contracting parties should be engaged in war with any other power, the free intercourse of commerce of the subjects or citizens of the party remaining neuter with the belligerent power shall not be interrupted. On the contrary, in that case, as in full peace, the vessels of the neutral party may navigate freely to and from the ports and on the coasts of the belligerent parties, free vessels making free goods; in so much that all things shall be adjudged free which shall be on board any vessel belonging to the neutral party, although such things belong to an enemy of the other; and the same freedom shall be extended to persons who shall be on board a free vessel, although they should be enemies to the other party, unless they be soldiers in actual service of such enemy.

The next treaty was concluded in 1799 and was entitled "A treaty of amity and commerce." I quote article 23 thereof:

If war should arise between the two contracting parties, the merchants of either country then residing in the other shall be allowed to remain nine months to collect their debts and settle their affairs, and may depart freely, carrying off all their effects without molestation or hindrance; and all women and children, scholars of every faculty, cultivators of the earth, artisans, manufacturers, and fishermen, unarmed and inhabiting unfortified towns, villages, or places, and in general all others whose occupations are for the common subsistence and benefit of mankind, shall be allowed to continue their respective employments, and shall not be molested in their persons, nor shall their houses or goods be burnt or otherwise destroyed, nor their fields wasted by the armed force of the enemy into whose power by the events of war they may happen to fall; but if anything is necessary to be taken from them for the use of such armed force, the same shall be paid for at a reasonable price.

Next was the treaty of commerce and navigation concluded in 1828. Article 12 of this treaty adopts article 12 of the treaty of 1785 and articles 13 to 24, inclusive, of the treaty of 1799. This treaty was likewise with Prussia. Both Germany and the United States have held that the German Empire succeeded to all of the rights set forth in those treaties and accepted all of the responsibilities and obligations contained therein. Therefore the treaty of 1828, confirming the treaties of 1785 and 1799, remained in full force and effect when the Great War broke out in Europe on August 2, 1914.

It is a matter of history now as to just how Germany kept its obligations. It is unnecessary to go into the details of her conduct which finally forced us into the war. We can all recall the ruthless manner in which Germany treated our own citizens and their rights of persons and property, and especially upon the high seas. Several hundred American citizens, including women and children, lost their lives and millions upon millions of dollars worth of property belonging to our citizens was destroyed. Article 23, you will note, makes specific reference to the right of women and children. They "shall not be molested in their person." What a mockery Germany made of this provision! Article 12 of the treaty of 1785 provided for intercourse and commerce of the neutral nations which was to be permitted to navigate freely to and from the ports of the belligerent parties. This portion of the treaty was torn into shreds, and the whole world knows it. Finally, she became so bold in her violations that she made us stay off the sea, excepting as to certain zones in which we were to be permitted to operate one ship a week or something of that sort.

War came. The official recognition of that fact was given on April 6, 1917. On December 7 of the same year similar recognition was given by a declaration of a state of war existing between this country and Austria-Hungary.

On the 19th of April, 1917, Germany passed an alien property custodian act, which will be found on page 363 of the Imperial Laws. Under it she seized property of American citizens aggregating over \$100,000,000 in value.

We waited. Finally, on October 6, 1917, Congress passed the trading with the enemy act. This act made it unlawful for any person in this country, except upon certain conditions, to trade with an alien enemy or ally of that enemy. The office of Alien Property Custodian was created, with the power to seize all money and property in the United States belonging to an alien enemy or an ally of an alien enemy. Under this act and certain amendments thereto, the Alien Property Custodian came into possession of property belonging to nonresident enemy aliens aggregating in value about \$550,000,000. The

law authorized the seizure of all alien enemy property. As a matter of fact, the seizures were confined to alien enemy property where the alien enemy was a nonresident. There were some exceptions, but these were applied to residents who were interned or who were in some way or other guilty of misbehavior.

Of this amount, about \$200,000,000 has been returned, by virtue of certain amendments made to the act. For example, property belonging to Alsations or citizens of Poland, Czechoslovakia, Yugoslavia, and so forth, have been returned. The trusts now number about 31,000. Almost all of them are small claims. Claims that are under \$10,000 in value number 28,144. Under the terms and provisions of this bill, we propose to return to each and every claimant, providing his claim amounts to that much, the sum of \$10,000. If this idea is adopted we will turn back in full 93 per cent of the claims. The value in the aggregate will be about \$45,000,000. Of this amount, 50 per cent will be covered by claims under \$10,000 in value per claim, while the remaining amount will be payments on account, so to speak, on claims larger than \$10,000.

Let me say this at this particular time: The law as it was amended shortly following its enactment authorized the Alien Property Custodian to sell under certain circumstances and conditions. In this event the proceeds realized from the sale were to await the disposition of Congress. Sales were made. This was particularly true as to patents. Some of these sales have been criticized most severely. Many are in litigation. I think that several thousand patents are in litigation growing out of the sale of these patents by Mr. Mitchell Palmer, the first Alien Property Custodian. I want to stress the fact that there is no intention whatever upon the part of the committee to in any way validate these sales by the enactment of this or any other legislation. There is absolutely nothing whatever in the bill now before us which can be construed in any way as validating any one of these transactions. Furthermore, we have expressly reserved from the distribution under this act all patents and patent rights which have been licensed or sold or which are in litigation to which the Government is a party.

The armistice was signed November 11, 1918. This was followed by peace negotiations between the belligerent countries, ultimately resulting in certain agreements which were embodied in the treaty of Versailles, concluded on June 28, 1919; the treaty of St. Germain-en-Laye, concluded September 10, 1919 (this was the treaty with Austria); and the treaty of Trianon, which was concluded June 4, 1920 (this was the treaty with Hungary). This country, however, refused to ratify these treaties, which thereby resulted in our continuing in a technical state of war with Germany, Austria, and Hungary.

To end this technical state of war pending the negotiating of separate treaties of peace with these countries, Congress passed the peace resolution on July 2, 1921, which terminated the war between this country and Germany, Austria, and Hungary.

In the treaty of Versailles (and similar provisions were set forth in the treaties with Austria and Hungary) Germany agreed to make reparation for and to indemnify the citizens of the allied and associated powers who had sustained damages to either persons or property growing out of the unlawful acts of the German Government either during the war, or as in the case of the United States, before our entering into the war. So far as we were concerned, the principal reason why we entered the war was due to the violations by Germany of the rights of our citizens as to their persons and property.

The combined losses of the citizens of the allied and associated powers were so great that Germany could not pay the bill then and there. It was impossible. She was unable to pay the just claims of American citizens growing out of the unlawful sinking of our ships, the killing of crews and passengers, the destruction of cargoes, and the destruction and confiscation of the property of American nationals in Belgium. There was one particular instance submitted to the committee in the hearings. An American concern had a large industrial plant in Belgium. The property was taken over by the Germans after Belgium was occupied. The equipment of the plant was carried away. The place was dismantled. This was not due to shell fire but was due to the fact that this large plant was a successful competitor of German industry. It was to the advantage of their German competitor that the place be put out of commission and destroyed.

There is not any question but what it was the duty of our commissioners at Versailles to acquaint the German commissioners with the losses of our citizens growing out of these unlawful acts of the German Government and demand restitution. A glance through the treaty of Versailles will show provisions indicating clearly that that is what our representatives

did. What was Germany to do? She could not pay in cash the great bill that the allied nations presented to her. Her sins had been to great. Neither could she pay in kind. She could not bring back the dead to life. Neither could she return the hundreds and hundreds of ships that had been destroyed nor replace the millions upon millions of dollars' worth of cargoes that had been sent to the bottom of the sea. The only remaining thing, therefore, for Germany to do was to admit her inability to then and there pay the loss either in cash or in kind, but to tender security for the ultimate payment of the claims. She was in the position of a debtor that was either insolvent or nearly insolvent. She was without cash or property that could be liquidated into cash. The available assets consisted of property, real and personal, located in Germany and in real and personal property located outside of Germany but belonging to German nationals residing in Germany. In other words, the real and personal property situated in the United States, but the title to which rested in German nationals, was an asset of the German Government. As a sovereign power she had control over her nationals and the right that any government has over the personal property at least belonging to her nationals, no matter where that personal property may be situated. The right of a sovereign nation is exercised in the power of taxation, which our great Chief Justice has said is the power to destroy. In other words, the right to tax is the right to tax so greatly as to take it all. Then there is the right of eminent domain.

Therefore, when Germany found itself unable to then and there make restitution for her wrongs, she made provision in the treaty of Versailles for the allied or associated powers to retain the property of her nationals as security for the payment of all just and lawful claims.

Mr. HAWES. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. HAWES. Is not the gentleman mistaken in the statement that we presented any claim to Germany? As I understand it, the American Government has not yet granted any claims to Germany of any kind.

Mr. NEWTON of Minnesota. Our peace commissioners did not ask of Germany as a Government the payment of anything to us as a Government, but it is my understanding, and I should hate to think otherwise, that our commissioners of peace did present to Germany the fact that our nationals had claims against the German Government growing out of violations of international law and treaty obligations, and that the United States would expect the German Government to make restitution for that damage. With that in mind the President of the United States and those associated with him had embodied in the treaty of Versailles, article 297, and annex (4), the provisions I have described.

Mr. HAWES. As a matter of fact no claims have been presented against Germany by the American Government. No claims can be presented until the Mixed Claims Commission has reported.

Mr. NEWTON of Minnesota. The gentleman is talking about the presentation of a detailed statement and claim of a particular individual or number of individuals. I am talking about the general proposition that our commissioners presented the German commissioners at Versailles, that they were in duty bound to protect the rights of our citizens and that they expected Germany to make proper restitution. The details were to be carried out later and provision was made for doing so. The gentleman from Missouri will not deny that our commissioners and the President of the United States subscribed to the very proposition which is in the treaty.

Mr. HAWES. I do deny that statement most emphatically.

Mr. NEWTON of Minnesota. I have a very vivid recollection of seeing it and all you have to do is to refer to the treaty of peace with Germany to see the signature of the President of the United States, and article 297 and annex 4 is a part of that treaty. I insert them in the Record as follows:

Section 4, article 297, paragraph (b):

Subject to any contrary stipulations which may be provided for in the present treaty, the allied and associated powers reserve the right to retain and liquidate all property, rights, and interests belonging at the date of the coming into force of the present treaty to German nationals or companies controlled by them within their territories, colonies, possessions, and protectorates, including territory ceded to them by the present treaty.

Annex 4:

All property, rights, and interests of German nationals within the territory of any allied or associated power and the net proceeds of their sale, liquidation, or other dealing therewith may be charged by that allied or associated power in the first place with payment of amounts due in respect of claims by the nationals of that allied or associated power with regard to their property, rights, and interests, including companies and associations in which they are interested, in German territory, or debts owing to them by German nationals, and

with payment of claims growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and before that allied or associated power entered into the war.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield? Mr. NEWTON of Minnesota. Yes.

Mr. BANKHEAD. The gentleman has asserted that our commissioners made representations to the Government of Germany that we would expect the Government of Germany to take care of these claims involved in the violation of international law. I want to ask the gentleman if our commissioners took the position in their negotiations that the private property of nationals of Germany located in this country would be held answerable for the payment of those claims?

Mr. NEWTON of Minnesota. Absolutely.

Mr. BANKHEAD. Does the majority of the committee take the position in this controversy that it is a correct principle, either in international law or of international morals, to confiscate the private property of German nationals to enforce the settlement of a debt of the Government of Germany itself?

Mr. NEWTON of Minnesota. The majority of the committee takes the position that it is the duty and the obligation of this Government first to look after the interests of its own citizens. Our Government did so when it presented the matter to the German Government for settlement. Germany then said, "This is all we have to offer." Our commissioners felt that was the best they could do, and these provisions were then embodied in the treaty.

Our commissioners at Versailles, with a knowledge of Germany's condition and her ability to make payment therefore in the future, must have figured that the only sure way to secure the payment of these claims was by impounding the property of German nationals in this country and retaining it for the purpose of eventually securing the payment of the claims of our citizens. These terms certainly must have met the approval of Congress for the peace resolution specifically refers to the rights and privileges we acquired by virtue of the treaty of Versailles and reserves those rights. I quote from section 2 thereof as follows:

That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 11, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Versailles, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any act or acts of Congress; or otherwise.

I feel that it is the duty of the American Congress in all matters of legislation pertaining to this property to bear in mind that our first duty is to safeguard and protect the rights of American claimants until the German Government shall have satisfied them in full. [Applause.]

Mr. BANKHEAD. If the gentleman will permit another question, I think it is important for us to clarify the respective attitudes on this proposition, because it involves a fundamental question, pursuing the policy the gentleman has stated to its legitimate conclusion, if a settlement were not made by the German Government, say, in the course of 50 years because of its inability to raise the cash to pay it, this property would be held in trust by the Alien Property Custodian for that period and the real owners denied its possession for that period of time.

Mr. NEWTON of Minnesota. Why, certainly, that is my own position upon it. We did not confiscate this, but Germany, with all the power of a sovereign nation, with the right of eminent domain, with the right in its own constitution of expropriation, has said, "We are going to take for the time being the property of our own nationals and place it as security for the payment of debts which we justly owe." In addition to that they also say, "We ourselves will compensate our own citizens for any damages that may result to them by reason of our seizure for that purpose." This provision will be found in paragraph (1) of article 297 of the treaty of Versailles.

Mr. BANKHEAD. Then, followed to its ultimate analysis, it resolves itself into this, that if the German Government per se can not pay these obligations when they are established, then these private properties of German nationals in America shall be held and confiscated for the purpose of paying the public debt of Germany. Is not that the logical conclusion?

Mr. NEWTON of Minnesota. We would have the right to do so—certainly—and in accordance with the practices of nations.

The CHAIRMAN. The gentleman has consumed 20 minutes.

Mr. RAYBURN. In accordance with the usage of nations?

Mr. NEWTON of Minnesota. Why, certainly.

Mr. RAYBURN. Is that the gentleman's interpretation of our stand and the stand of civilized nations?

Mr. NEWTON of Minnesota. Why, there is no question of the right of a nation to take the property of its citizens in accordance with its own laws and devote it to a particular purpose. This is what Germany has done.

Mr. RAYBURN. Does the gentleman contend that that is the usage under international law?

Mr. NEWTON of Minnesota. Yes; and I say to the gentleman, as the gentleman knows, that in our treaty of peace with Spain there was a similar provision regarding the claims of our own citizens against Spain.

Mr. RAYBURN. That was an offset of a claim against a government—against a claim against a government—and it did not involve—

Mr. NEWTON of Minnesota. It was an appropriation by this Government of an asset belonging to an American national consisting of a claim against Spain. We appropriated it for our own use. Then we became obligated to our own citizens to make restitution therefor. A provision was made authorizing him to go before the Court of Claims. You will find a case of that kind in *Meade v. United States*, 2 Court of Claims, 224.

Mr. RAYBURN. Exactly. That is an offset of a claim against a claim. We would be willing to offset a claim against a claim with the German Government, but here is a specific confiscation of the private property of citizens of other governments.

Mr. NEWTON of Minnesota. There is no distinction.

Mr. SWEET. But the gentleman does not contend that this bill is in accordance with the policy that he announces here, or in accordance with the policy this bill was framed upon?

Mr. NEWTON of Minnesota. Only to a degree, but if we have the right—we are talking about the abstract right—by reason of Germany's action in the treaty, to take and hold a part, we have the legal right to take and hold all.

Mr. SWEET. But neither does the gentleman contend that position is in accordance with international law?

Mr. NEWTON of Minnesota. The gentleman contends he is on solid foundation so far as international law is concerned.

Mr. LONDON. Will the gentleman yield?

Mr. NEWTON of Minnesota. I will.

Mr. LONDON. The gentleman from Minnesota does not place reliance upon the treaty of Versailles because we have not ratified that treaty.

Mr. NEWTON of Minnesota. I was about to proceed to that when these numerous interruptions followed. Germany in an agreement with our allies granted this right to us as well as to them. We did not have to sign ourselves. To avoid any doubt, however, we reserved all rights when we passed the peace resolution.

Mr. LONDON. Will the gentleman yield further?

Mr. SANDERS of Indiana. The gentleman said peace resolution. In the peace resolution we reserved our rights in reference to this property, but did not mention the Versailles treaty, but in the Berlin treaty which was negotiated we reserved our rights under the Knox-Porter resolution, but the Knox-Porter resolution did not mention the Versailles treaty.

Mr. NEWTON of Minnesota. The gentleman, who is usually correct, is not in this one instance; section 2 of the resolution has reference to the treaty of Versailles.

Mr. SANDERS of Indiana. I am sorry I was inaccurate in my statement, but the Berlin treaty expressly does include the Versailles treaty.

Mr. NEWTON of Minnesota. Yes.

Mr. SANDERS of Indiana. And the Knox-Porter resolution.

Mr. NEWTON of Minnesota. Yes; and the Knox-Porter resolution.

Mr. LINEBERGER. Does the gentleman contend that the German Government as a sovereign power, exercising the rights of a sovereign power over its own citizens, has set aside this property as security for the payment of the debts of that country?

Mr. NEWTON of Minnesota. Yes.

Mr. LINEBERGER. And if confiscation ultimately results it will be confiscation by the German Government, and not by our own Government?

Mr. NEWTON of Minnesota. That is the case exactly.

Mr. TEMPLE. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. TEMPLE. I am glad the gentleman [Mr. LINEBERGER] who has just taken his seat has made that point. It is not a question of international law. Germany does it for its own people by domestic law.

Mr. NEWTON of Minnesota. Yes. The action taken, call it what you will, is the action not of the United States, but of the German Government. I was trying to bring home to the Members of the House this fact: That this procedure by Germany, and which we have approved by congressional enactment and by treaty, is not unusual. In so approving it, we merely followed out previous practices and customs heretofore in effect among the nations of the world.

Mr. TEMPLE. I would like to bring out a little more fully our rights as defined by a treaty to which we were not a party—the treaty of Versailles. As I understand it, the treaty of Versailles was ratified by Great Britain and several other powers to bring it into operation as between those powers. In that treaty there was a provision that certain territory should be ceded to the principal associated and allied powers, naming the five of them, in which the United States is concerned. We have the rights of a third party in a compact to which we are not a party. Germany agreed to grant Great Britain, France, Italy, and other powers—five powers—certain rights, and we claim those rights, not because we are a party to the treaty but it is a treaty direct between Germany and those other powers in which we have an interest.

Mr. NEWTON of Minnesota. Yes. In addition to that, following the passage of the peace resolution, we signed the treaty of Berlin, in which we entered into an agreement with Germany wherein they confirmed the rights that we had acquired in the treaty of Versailles, so that our rights rest upon two propositions. This will be found in section 5 of the treaty. Similar provisions exist in the other treaties as to Austria and Hungary.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. LONDON. Did not the peace treaty specifically refer to this property?

Mr. NEWTON of Minnesota. You mean the treaty of Berlin?

Mr. LONDON. Yes. Did it not specifically refer to this property?

Mr. NEWTON of Minnesota. Yes. If the gentleman will turn to section 5 of the treaty of Berlin, between the United States and Germany, and the similar treaty with Austria, he will find that provision. I will read it:

SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments, respectively, of all persons, whosoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise—

It is not necessary to read further. The section is set forth in entirety in the report.

The CHAIRMAN. The time indicated by the gentleman from Minnesota has expired.

Mr. NEWTON of Minnesota. I yield myself five minutes more.

Mr. LONDON. The question, then, of taking possession of the property of individual nations in consonance with international law becomes an academic question in view of the specific terms of the peace treaty relating to that subject?

Mr. NEWTON of Minnesota. Yes. It is a matter of contract.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. TILSON. The gentleman in revising his remarks, especially in the colloquy between himself and the gentleman from Alabama, should, I think, give attention to this, because I believe in that colloquy he propounded a doctrine that he would not wish to maintain here. He should make it appear that all he meant was that such rights as we claimed, we claimed by reason of a treaty with Germany, and that we claim the right to take the property of individuals.

Mr. NEWTON of Minnesota. I did not understand that the question of the gentleman from Alabama involved the subscribing by me to any doctrine of confiscation by our Government. Under this arrangement, if there is confiscation, it is by Germany, not by us.

Mr. TILSON. I was afraid the gentleman's language would indicate that.

Mr. NEWTON of Minnesota. I thought that I had made it clear that I was merely calling attention to this particular practice, which practice has been heretofore used by nations in settling similar differences following a war.

Mr. LONDON. The gentleman does not advocate the idea that the Government has the right to confiscate the property of nationals?

Mr. NEWTON of Minnesota. Our Government? Certainly not.

Mr. LONDON. Governments as a rule protect the property of noncombatants even in the territory of the enemy. Is not that true?

Mr. NEWTON of Minnesota. Yes.

Mr. LINEBERGER. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. LINEBERGER. But the gentleman does subscribe to the doctrine that the German Government, having exercised the right of eminent domain over the property of its nationals or citizens, has the right to hypothecate that property as security for the amounts contained in this treaty?

Mr. NEWTON of Minnesota. Articles 7 and 153 of the German constitution so provide. There can be no question about it. I quote therefrom the material portions, as follows:

ART. 7. The Federal State has jurisdiction over: * * * matters concerning expropriation.

ART. 153. The constitution guarantees the right of private property. Its nature and limitations are defined by law. Expropriation shall take place only for the common good and shall be subject to due process of law. There shall be appropriate compensation, unless otherwise provided by Federal law. * * * property rights impose certain duties. The use of property shall serve for the common good.

Mr. LINEBERGER. The question of international law right here is purely an academic one and does not enter into this transaction?

Mr. NEWTON of Minnesota. So far as this particular transaction is concerned, no.

Mr. HAWES. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. HAWES. It seems to me it is important to clear up this point. The gentleman does not assert that Germany by any act of hers has segregated the property of her nationals in this country for the payment of her war debt or any other debt?

Mr. NEWTON of Minnesota. Yes; certainly.

Mr. HAWES. She has simply given the United States the option, if the United States exercises that option, but by no act of hers has she taken any such position.

Mr. NEWTON of Minnesota. The German Government has set this property aside as a pledge for the payment of those claims.

Mr. HAWES. The gentleman can not point to a statement in the hearings before our committee on the part of the State Department or any other witness that sustains that contention.

Mr. NEWTON of Minnesota. All the gentleman has to do is to refer to the treaty of Versailles and the treaty of Berlin. It will be found first in the treaty of Versailles and then in the treaty of Berlin.

Mr. HAWES. I have read those treaties, but the only thing that Germany has done or that the United States has done has been to appoint a mixed commission. Germany has not decided that her nationals' property in this country should be used, and the United States has not so decided.

Mr. NEWTON of Minnesota. Oh, well, the gentleman has simply gone back to the position which he had taken before. The Mixed Claims Commission has been agreed upon by this country and Germany in order to carry out the details of the provisions of the treaty of Versailles as confirmed by the treaty of Berlin.

Mr. LONDON. Will the gentleman yield?

Mr. NEWTON of Minnesota. I am sorry I can not yield further. I must conclude and let my colleagues have an opportunity to be heard.

The CHAIRMAN. The time of the gentleman has expired.

Mr. NEWTON of Minnesota. I yield myself five minutes more.

The gentleman from Missouri has referred to the Mixed Claims Commission. This is the result of an agreement entered into by Germany and the United States following the negotiating of peace with Germany as embodied in the treaty of

Berlin. Germany appoints a representative to that commission. We appoint one. The two agree upon an umpire. This commission is now engaged in the hearing of the claims of American citizens against the German Government growing out of her unlawful acts preceding our entry into the war. This commission is the court or tribunal agreed upon by Germany and the United States to pass upon the questions of law and fact pertaining to all the claims that may be submitted before it. It is up to this tribunal to say just what particular claims shall be paid and the amounts to be paid. Several thousand of these claims have been already presented. They are still coming in. On the 1st of January the face of the claims amounted to about \$500,000,000. The present estimate—and it is only an estimate—is about \$1,000,000,000. We have so drafted this bill as not to in any way impair the security and thereby prevent the ultimate collection of all just American claims that may be agreed upon by this Mixed Claims Commission.

I quote from article 1 of the Mixed Claims Commission treaty, reading as follows:

The commission shall pass upon the following categories of claims, which are more particularly defined in the treaty of August 25, 1921, and in the treaty of Versailles:

(1) Claims of American citizens arising since July 31, 1914, in respect of damage to, or seizure of, their property, rights, and interests, including any company or association in which they are interested, within German territory as it existed on August 1, 1914.

(2) Other claims for loss or damage to which the United States or its nationals have been subjected with respect to injuries to persons, or to property, rights, and interests, including any company or association in which American nationals are interested, since July 31, 1914, as a consequence of the war.

(3) Debts owing to American citizens by the German Government or by German nationals.

In conclusion, the treaty of Versailles provided for the retention of this property by the United States. This Congress approved that by expressly reserving that right in the peace resolution. When peace was negotiated with Germany by the signing of the treaty of Berlin specific reference was made to the peace resolution, and the portion regarding the retention of property was set forth in the treaty. In addition, it was further provided that this property should be retained until Germany "shall have made suitable provision" for the satisfaction of all claims against the United States of all persons who owe permanent allegiance to the United States and who have suffered damage through the acts of the German Government.

What provision has Germany made? None whatever. She has agreed to the appointment of a Mixed Claims Commission to ascertain the amount of the claims against her, but she has made no provision whatever for the payment of those claims. If, then, we are to perform the first duty of a government—and that is to protect the interests of its own citizens—we ought not to return this property, which Germany placed with us as security, and which, in accordance with her laws, she had a right to so place with us, until the claims of our own citizens are paid.

As a matter of abstract right, we are under no obligation to return any part or portion of the property at the present time. However, there are a large number of these claims. Many of the claims are small; 93 per cent of them are less than \$10,000 in value. Many instances of distress have been submitted to the committee. Some of these are set forth in the hearings. The amount that will be returned under this bill is but a little over 10 per cent of the total amount of the property held by the Alien Property Custodian. Your committee, therefore, feels that property up to the amount included in this bill can be returned without in any way impairing this security.

While the amount of the claims before the Mixed Claims Commission is in doubt and they are still coming in, we are not in a position to recommend to the House the return of any greater amount than included in the terms of this bill. Furthermore, if we should do so, the danger of impairing the security would be such that we feel certain that it would meet with most serious objection in another legislative body. Let us remind those who feel that we should return all of the property that we can that we have this practical question to determine and decide. If we seek to return more than what we have returned in this bill, we will in all probability prevent the return of any property for months to come. Therefore we feel that until Germany makes "suitable provision" we should continue, for the present at least, to retain all property held except that which we recommend in this bill to be returned. Only in this way can our Government carry out the obligations that it has to protect the interests of its own citizens. [Applause.]

Mr. ELLIS. Will the gentleman yield?

Mr. NEWTON of Minnesota. I yield to the gentleman from Missouri.

Mr. ELLIS. How will we meet the point that this bill is premature at this time?

Mr. NEWTON of Minnesota. The cost to the Government in time and trouble involved in fooling around with any number of these smaller claims is such that that is an item to be considered. And then, the committee, after going over the matter with the State Department and the Alien Property Custodian, felt that there is no danger whatever of impairing our security by turning back this amount.

I reserve the remainder of my time.

Mr. HUSTED. Will the gentleman yield?

Mr. NEWTON of Minnesota. I am sorry, but I must conclude.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. HAWLEY having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment House Joint Resolution 460, accepting the sword of Gen. Richard Montgomery.

AMENDING THE TRADING WITH THE ENEMY ACT.

The committee resumed its session.

Mr. RAYBURN. Mr. Chairman, I yield to myself 30 minutes. [Applause.]

Mr. Chairman and gentlemen of the committee, of course we are all surprised—I think I may include every member of the Committee on Interstate and Foreign Commerce—that this matter has come upon the floor to-day. At 12 o'clock we came over here and found that this measure was to come up for consideration in a few minutes. We had been given to understand that it would not come up this week and that we would all be given ample time to prepare ourselves for the debate. Some gentlemen who are vitally interested in this measure have left the city with what they thought was the assurance that this measure would not come up to-day.

Mr. NEWTON of Minnesota. Will the gentleman yield there?

Mr. RAYBURN. I do.

Mr. NEWTON of Minnesota. Will the gentleman be sure to make it clear, as I know he wishes to make it clear, that it was a surprise to all the members of the committee, on this side as well as on that?

Mr. RAYBURN. I began my statement by saying, as I now repeat, that no member of the committee on either side of the House had any idea that this matter would come up to-day. The gentleman from Virginia [Mr. MONTAGUE], who reported the first bill to take over this property, is vitally interested in this matter. He is out of the city, not knowing it was coming up. Mr. HOCH of Kansas, one of the able Representatives on the majority of this committee, who feels as I do upon this question, believing this measure would not come up to-day, is also out of the city. But we may expect anything now, it seems.

Mr. Chairman, in all my life I was never more certain of the ground I take than I am upon this bill. Following every precedent of international law, following every Secretary of State of the United States from Jefferson down to Knox and Lansing, following every decision of the Supreme Court of the United States from its beginning to now, I know that in honor there is only one thing for this Congress to do, and that is to do the clean thing, the thing that will be understood the world over, and that is to return all of this property, and return it at an early date. [Applause.]

The gentleman from Minnesota allowed himself to be backed into the compromising position that any man will allow himself to be backed into who straddles an issue. I say this, that no civilized nation in this world to-day will countenance for a moment the doctrine that private property should be taken for the satisfaction of a public obligation. [Applause.] Every member of the committee in the hearings and in the consideration of this bill protested loudly that he did not intend that any of this property should ever be confiscated. But they use the term "security," they use the term "pledge." What is the difference between them? If a man owes me a debt and I take his property as security for that amount, and if the man does not pay the money I will take the property in satisfaction of the debt. I say that when any man here says that he is against confiscation in one breath and in the next breath says that he is for holding private property as security for the satisfaction of public obligations, he is for confiscation and it can mean nothing less.

Every Secretary of State that we have had from Jefferson to Lansing has announced the doctrine that no country should confiscate private property of enemy nationals. Mr. Hughes's representative came before our committee and sought to create the impression that Mr. Hughes also believed that, but Mr. Hughes in one of his letters to the chairman of the Interstate

and Foreign Commerce Committee was unfortunate in the use of the following language:

It is understood that this bill has been introduced upon the assumption that it would require the return of a relatively small amount of property and that the security for the settlement of American claims would not be substantially impaired.

Why hold this property as security if you say you never intend to confiscate it? If this Congress announces the doctrine that it does not intend to confiscate this property under any conditions, then it is not security at all. The majority of the committee claim that they do not intend to violate the precedents of international law by confiscating any of this property, and yet an amendment offered in committee providing that it should be the declared policy of the United States that this property should never be confiscated was voted down by 10 to 7.

I hold also to the doctrine that an unlimited holding, that a continued holding, of property that is not your own, property being withheld from the rightful owner, is in itself confiscation. The gentleman from Minnesota allowed himself, by the questions of the gentleman from Alabama [Mr. BANKHEAD] and the gentleman from Missouri [Mr. HAWES], to be placed in the position by his direct answers that he would be in favor of confiscating this property if the German Government did not pay the claims of the American nationals. That is the only logical ground that any man can take who stands to-day for holding this private property as security for a public debt.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. J. M. NELSON. In view of the situation in Germany to-day and, as we all know, probably will be for 50 years to come, is there any likelihood of Germany's being able to pay these debts—so would it not be confiscation?

Mr. RAYBURN. I doubt if I have an opinion upon that subject. My contention in this matter goes beyond men that claim against individuals for claims against the Government. My contention goes to this: I want the honor and the tradition and the glory of this Republic upheld by the vote in this Congress upon this occasion. [Applause.] Nothing except a compliance with our unbroken customs will do that.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. HARDY of Texas. Is it or not our unbroken tradition, and have we not made a positive pledge in our treaties with Germany and our allies to protect their property?

Mr. RAYBURN. I was coming to that. These people came to America, invested their money, not only upon their own volition but upon the earnest solicitation of the American people, under laws that we held up to every man in this land of the hope of equal rights and equal opportunity. Shall we at this time set a precedent that means confiscation of private property—and it can mean nothing else—when more American money is going to-day to foreign countries to be invested than ever before? Do we, if war should come between our country and those countries, want to be met by having those countries assert the savage doctrine of confiscation that we to-day will assert if we do not vote for the amendment which I will offer to return all the property? [Applause.]

Why do we not recognize Mexico to-day? What reason does the State Department give that we do not recognize Mexico and the Soviet Government of Russia? It is that the Government of Mexico and the Government of Russia have not yet given assurances that they will regard the interests of American citizens. Do we want the United States of America to be placed in that kind of a compromising position before the civilized world? I say our precedents have been unbroken. To go back in the history of this country to its earliest days, we call to the attention of the House the minority report. As early as 1796, in the case of *Ware v. Hilton* (3 Dallas, 199), the Chief Justice of the Supreme Court said that the doctrine of confiscation had been exploded and was frowned upon by all the civilized world. Another justice said confiscation has long been considered as disreputable.

The gentleman from Minnesota [Mr. NEWTON] talks about the power of Congress to confiscate. Nobody denies that a great, strong Government like the United States can confiscate the private property of nationals of a Government like Germany when it is on its back. It has the power, but I assert that under every rule of international law, under every rule of our courts, under every rule of decency it has not the right to do it and should not do it. [Applause.]

Mr. John Marshall in one of the leading and celebrated cases said that the Government had the power but that long since the practice had been looked upon with obliquity. Let me read to some of you Republican Members who believe in confiscat-

ing this property what your patron saint said upon this question more than a hundred years ago. Alexander Hamilton, in commenting upon this very thing, used the following terse language:

No power of language at my command can express the abhorrence I feel at the idea of violating the property of individuals which in an authorized intercourse in time of peace has been confided to the faith of our Government and laws on account of controversies between nation and nation. In my view every moral and every political sense unites to consign it to execration.

Mr. John Bassett Moore is to-day our greatest authority on international law. Speaking on this subject, he sums up with this statement:

Property belonging to enemy nationals which is found by a belligerent within its own jurisdiction, except property entering territorial waters after the commencement of war, may be said to enjoy practical immunity from confiscation.

Yet these gentlemen who stand up here and take the compromising position that they will not return all of this property, that they will return the paltry amount of \$44,000,000 out of \$350,000,000, not including the \$200,000,000 worth of ships, fly in the very face of every decision of our courts that I have referred to and many more, of the statement of every writer on international law that I have referred to and many more. They put themselves away and above any interest—and we might as well say it here and now—of American claimants, and I understand that when the thing is sifted 70 per cent of the American claims against the German Government will be by the American insurance companies who grew richer during the war than in any time in all of their history.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. LANHAM. If there is a principle which justifies or demands the release of a part of this property, would not the application of the same principle justify or demand the release of all of the property?

Mr. RAYBURN. That is what we ask in our minority report. If \$10,000, why not \$20,000? Why not \$50,000? Why not \$100,000? Why not all? As a matter of putting this country right before the nations of the world, I would rather this Congress would return none of the property than to return the paltry amount that it is returning.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. MOORE of Virginia. When does the majority of the committee promise that it will deal with the excess over \$10,000, and on what conditions? Does it state any time or fix any conditions upon which it promises to deal with the excess?

Mr. RAYBURN. It does not. The gentleman from Minnesota [Mr. NEWTON] indicated that it might run on for 50 years, but if this matter runs on for even 25 years it will be confiscation as far as the people who now own it are concerned, for more than half of them will have died within 25 years.

Mr. NEWTON of Minnesota. Does the gentleman want the claims of American nationals against Germany to run on for not only 50 years but possibly 100 or more years before they are settled?

Mr. RAYBURN. I am going to settle one of these questions at a time, and I am going to settle the first one we take up right, if I have my way about it.

Mr. NEWTON of Minnesota. Does the gentleman think the claims of Americans should be settled first?

Mr. RAYBURN. No. I think the claims of American citizens against the German Government should be settled at the same time the claims of German citizens against the American Government are settled. These are not war claims. This is the concrete property that these people made here, having worked and invested on the faith of this Government.

Mr. WURZBACH. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. WURZBACH. I understand the gentleman from Texas takes the position that a national of Germany has a right to claim his rights under international law without the intervention of his own government, that international law in itself guarantees to the national his rights, and that his government can not foreclose him in the assertion of his claim.

Mr. RAYBURN. I do contend that; and it would be the most savage doctrine ever announced in any civilized government if it were otherwise.

Mr. J. M. NELSON. Upon what basis have they made this arbitrary choice of \$10,000?

Mr. RAYBURN. I will tell the gentleman what made it, in my opinion. It was made because it covered a majority of the individual claims, and that is all. If the political end of this

thing had not got to pinching so hard, they would not have returned even the \$10,000, if they had been listening to these insurance companies and to other people who have piled up claims amounting to about a billion dollars. It is the history of war claims that not more than 8 per cent of them are ever allowed.

Mr. HAWES. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. HAWES. The property under discussion is the property of individuals.

Mr. RAYBURN. That is true.

Mr. HAWES. Under the jurisdiction of the United States, brought here at the invitation of the United States, and no act of Germany can remove the responsibility of the United States to return that property. She is not bound by anything that Germany does, is she?

Mr. RAYBURN. Not at all.

Mr. HAWES. It is our responsibility.

Mr. RAYBURN. That is what I contend.

Mr. ROACH. Mr. Chairman, if I understand the statement of the gentleman from Minnesota [Mr. Newton] as well as the statement of the gentleman who now has the floor, it is claimed by both the majority and the minority that there is no serious intention upon the part of the Government of the United States to ever confiscate this property.

As I understand the statement of the gentleman, it is his contention that so long as our Government holds this property as a pledge or security that we are in a way or in effect confiscating it for a period of time which we so hold it.

Mr. RAYBURN. Not only are we confiscating it for the time we hold it, but when such high authority as the Secretary of State says we must hold it as security I contend that those who stand with him stand for confiscation.

Mr. ROACH. This in a sense is not confiscation—

Mr. RAYBURN. We say in our minority report, and I repeat again what I repeated a moment ago, that the indefinite holding of private property from its rightful owner is confiscation; and in the case of these people even holding for 25 years, much less 50 years, will be a confiscation as far as they are concerned.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. HARDY of Texas. In respect to property held as security the only way you can realize on the security is to sell it and does it not mean that we are to sell?

Mr. RAYBURN. I say if this property is held as security and it is security, then it can mean nothing but that we are going to confiscate it.

Mr. HARDY of Texas. Because you can not realize otherwise.

Mr. ROBSION. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. ROBSION. I understand that the British and Italian Governments and other Governments of our allies took over property of German nationals. What disposition have these other Governments made; what action have they taken?

Mr. RAYBURN. Well, I do not know.

Mr. GRAHAM of Illinois. I can answer the question.

Mr. RAYBURN. I wish the gentleman would answer.

Mr. GRAHAM of Illinois. It is going through a process of liquidation. In pursuance of the provision of the treaty of Versailles they are liquidating those claims by a liquidating commission; it is a sort of clearing house.

Mr. ROBSION. Is that on the same basis?

Mr. GRAHAM of Illinois. Not the same basis as this; it is an international clearing house, that is what it is.

Mr. KINCHELOE. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. KINCHELOE. If it is the contention of the entire membership of the gentleman's committee that this country will never subject the property of these nationals to the payment of debts against the German Government, what is the reason for wanting to hold any of this amount, even to the extent of \$10,000?

Mr. RAYBURN. Well, the gentleman will have to ask them.

Mr. KINCHELOE. I was just wondering.

Mr. RAYBURN. They asked the gentleman from Minnesota some time ago, and before he was extricated by the gentleman from Pennsylvania and others he had admitted that he would be in favor of confiscating this property ultimately unless the claims of Americans were met.

Mr. MACLAFFERTY. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. MACLAFFERTY. I ask this question in absolutely good faith. During the San Francisco fire, when hundreds and hundreds of acres were devastated, when people were standing in

bread lines and drinking hot soup out of tomato cans, when all they had in the world were claims against the German insurance companies, these same companies walked out of the State of California with their claims unpaid. Should not those claims be paid before the insurance companies have handed back to them their funds?

Mr. RAYBURN. I do not know whether Congress had the power to go back of the statute of limitations—

Mr. MACLAFFERTY. They walked out of California; simply walked out and said, "You can come to Germany and sue if you want to get the money."

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. NEWTON of Minnesota. In reference to the gentleman's reference a moment ago to "confiscation" and in connection with the colloquy with the gentleman from Alabama, there was no other "confiscation" in mind than that which is involved in carrying out the principles of this legislation.

Mr. RAYBURN. If the gentleman will read his remarks carefully, I think he will agree with me that he probably inadvertently answered that he would be in favor of confiscation.

Mr. DENISON. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. DENISON. The gentleman keeps referring to our retention of this property and has made the statement that our retention of the property is confiscation. Now, if the gentleman will read the books on international law and treaties that this country has engaged in, and where it is discussed he will find the term "confiscation" is never applied to the appropriation of private property of a citizen of one country for the payment of claims of citizens of another by treaty agreement. Not one time is it called confiscation, and not only that but the gentleman will find, if he reads the books on international law, that the term "confiscation" includes the appropriation of the property for the use of the government.

Mr. RAYBURN. Exactly; and that is what I read, the decision of the courts. I have read the treaty; I have read books on international law, and that is why I am contending against the doctrine of confiscation here to-day, which the gentleman by voting for not returning this property is contending for.

Mr. DENISON. The gentleman understands that we are not taking this property for the use of the Government if we do it. That is confiscation. That is what confiscation always means.

Mr. RAYBURN. Who can take this property from its rightful owners except the Government of the United States?

Mr. DENISON. The Government of Germany can, and has done so.

Mr. FISH. Mr. Chairman, will the gentleman from Texas yield?

Mr. RAYBURN. Yes.

Mr. FISH. Why do we quibble here about this word "confiscation"? Is not the proper word "robbery"?

Mr. RAYBURN. Well, I think the word "confiscation" is savage enough. I think it is enough in violation of all that we have ever stood for.

The CHAIRMAN. The gentleman from Texas has consumed 30 minutes.

Mr. RAYBURN. I will allow myself five minutes more.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. MANSFIELD. I want to ask the gentleman from Illinois [Mr. DENISON], who spoke just a moment ago, if our Government is taking the ships of Germany for Government use and not to satisfy private claims?

Mr. RAYBURN. That is true.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Wisconsin.

Mr. COOPER of Wisconsin. I would like to ask the gentleman what he thinks of the term that should be applied to the disposition of millions of dollars' worth of German patents sold for so grossly an inadequate price that the President himself said that the inadequacy of price constituted a badge of fraud? It was a sale made by this Government, and a sale which was attempted to be ratified and confirmed and maintained forever in the peace resolution. What was that but confiscation pure and simple?

Mr. RAYBURN. I think so, and I think the courts of the United States are going to set that sale aside. I think they ought to, so far as I am concerned. I think when they sold those patents to this Chemical Foundation for a small amount, a nominal amount—I forget just how much; I think it was \$250,000 only, many, many patents, one of which is conceded by everybody to be worth \$10,000,000—I think it was one of

the most disgraceful things that has ever happened in this country, and I think our courts will set it aside. [Applause.]

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. RANKIN. The gentleman from Illinois [Mr. DENISON] seems to think this is not confiscation, because this property was not taken for the use of the Government itself but was being taken for the use of private individuals. I want to ask the gentleman if he does not think that is a worse form of confiscation than if it were taken for the use of the Government?

Mr. RAYBURN. Yes; I think so.

Mr. HUSTED. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. HUSTED. I think we are all agreed that this private property should not be taken to satisfy Government claims. I think we are all agreed on that.

Mr. RAYBURN. I do not know, but I doubt that; I am agreed to that.

Mr. HUSTED. What I would like to ask the gentleman is this: What has the gentleman got to say against the propriety of taking private property of German nationals to protect the claims of American nationals against Germany?

Mr. RAYBURN. I have got this to say: How are you going to protect them unless you confiscate and sell this property and apply the money to those claims?

Mr. HUSTED. Well, if you sell this property and apply it to those claims, you do not apply the money in satisfaction of any Government claims.

Mr. RAYBURN. Yes; and it is less justifiable; it is worse than to apply it in satisfaction of a Government claim. For the Government to take the property of an individual and give it to another individual is incomparably worse than taking the private property of an individual to satisfy an obligation of the Government.

Mr. DENISON. That statement would be entirely true if the Government did not take it in pursuance of a solemn treaty. But when the Government takes that action in pursuance of a solemn treaty, of course the gentleman from Texas can not complain.

Mr. RAYBURN. We are legislating here now. I said of the Knox-Porter resolution when it passed that it was a monstrosity, and I say so yet. You talk about a treaty with Germany. Germany had not anything else to do but sign it when they showed them where the dotted line was. They could not do anything else.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. LONDON. Taking the property of an individual by superior force amounts to conducting war against an individual, does it not?

Mr. RAYBURN. Yes.

Mr. LONDON. And that is wrong, whether it applies to the payment of a Government claim or an individual claim?

Mr. RAYBURN. Yes.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. BRITTEN. Has the gentleman pointed out during this debate that the private property which the Government seized for its own use and which it is now using is much more than adequate to take care of the private American claims?

Mr. RAYBURN. There is no doubt in the world about that.

Mr. SABATH. Some gentleman on the other side a moment ago asked the question, What is being done by Great Britain with the property that Great Britain has seized? and the gentleman from Illinois [Mr. GRAHAM] answered. I would like to know what has been done by the Austrian Government with the property that the Austrian Government seized belonging to American citizens.

Mr. RAYBURN. Austria never seized the property of American citizens, and I intended to call attention to that. This committee refused to return the property of Austrian nationals. Germany has returned all the property it ever seized from American citizens. She has only retained some money, and the only reason for delay in returning that is the disputed value of the German mark.

Mr. HAWES. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Missouri.

Mr. HAWES. The gentleman from Texas wants to be accurate, I know. Austria-Hungary never took over any American property. All American property taken over by Germany, excepting certain bank accounts which are in dispute as to the value of the mark, have been released by Germany.

Mr. RAYBURN. That was my statement.

Mr. LINTHICUM. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Maryland.

Mr. LINTHICUM. I wish to ask the gentleman whether alien enemy property is not really being confiscated now by the shrinkage in value and wastefulness in its use?

Mr. RAYBURN. I think so. Mr. Chairman and gentlemen, I close with this extract from the minority report:

Congress is confronted with a plain, simple, and understandable proposition. Will it scrap all precedents of international law? Will it repudiate the uniform decisions of our courts? Will it repudiate all of the Presidents from Washington to and including Wilson? Will it repudiate all our Secretaries of State from Jefferson to Knox and Lansing? Will it support the march of civilization or support Secretary Hughes in his demand that private property should be held and used as security for the payment of public debt?

Shall we in this age of our Republic take a backward step and hold ourselves up to obloquy and scorn the world over? We can not afford to even be mistrusted, much less commit an overt act that will lose for us the respect of the civilized world. If we are not to do this we must by our action show to the world that we expect to live up to our own traditions and up to the high standards of modern civilization.

[Applause.]

Mr. WINSLOW. Mr. Chairman, I ask that the hour remaining to this side be assigned to me.

The CHAIRMAN. The gentleman from Massachusetts [Mr. WINSLOW] is recognized for one hour.

Mr. WINSLOW. I yield 10 minutes to the gentleman from Pennsylvania [Mr. TEMPLE].

Mr. TEMPLE. Mr. Chairman and gentlemen, I have been very much interested in the discussion of this question, especially the discussion by the gentleman who has just taken his seat [Mr. RAYBURN].

The whole question of the treatment of property of citizens or subjects of an enemy country by a belligerent which finds that property within its own boundaries at the outbreak of war is interesting, and it has had a development that we have not the time here to review, except to say that the treatment of such property has been growing more generous as civilization advanced. As to our own precedents, I think the gentleman who said we had never confiscated any enemy property has forgotten that when the Revolutionary War was going on 11 of the 13 Colonies confiscated the property of those of their citizens who remained loyal to Great Britain, and that after the war was over Great Britain appropriated money to compensate the loyalists and sent a court over to this side of the Atlantic. This court met in St. John, New Brunswick, and in Quebec, and in Montreal, and as far west as Niagara.

The minutes of that court—"minutes" is the word used of these records—the manuscript minutes are in the Congressional Library. The Canadian Government has had them printed. I have spent a great deal of time in analyzing some 1,700 or 1,800 cases considered by the court.

T. J. Lawrence, the author of an exceedingly valuable discussion of international law, says that only one instance of such confiscation can be found in the history of warfare since Napoleonic times, and that was in the heat of a civil war which we in America would like to forget, and consisted of confiscation by the Confederate Government of the property of those living within its borders who remained loyal to the North.

The United States Government in dealing with the property of German and Austrian nationals within the boundaries of the United States did not at first do anything that looked like confiscation. We provided an Alien Property Custodian to act as trustee.

I am very happy to say that I voted for that bill when it passed the House during the war, and I am also rather proud to say that I worked and voted against the amendment to that law afterwards that authorized the Alien Property Custodian to sell the German patents. [Applause.] That was in the heat of war.

Mr. CHINDBLOM. When was that amendment passed?

Mr. TEMPLE. I think it was in 1917. It was legislation in one of the appropriation bills. We could not avoid voting for the bill after that language was put into it, because we could not run the Government without passing the appropriation bill. If we voted for the appropriation bill, we were forced to vote for that item, but I did all I could to keep that item from getting into the bill.

Private property is not, however, sacred under the customs of war. Private enemy property at sea is subject to confiscation. An enemy ship—that is, a privately owned ship, owned by an enemy—is subject to confiscation simply because it is enemy property. Enemy cargo on an enemy ship is also subject to confiscation, no matter who the private owner may be. War is hell. International law has attempted to restrain some of its barbarities, but you can not get rid of them. Killing itself is contrary to all our moral senses, and yet it is one of the essential necessities of war.

Property within our own boundaries, however, does occupy a different position from property in an enemy country or enemy property on the high seas. The customs of the nations had grown lenient, had grown civilized to such an extent that enemy property within the boundaries of any belligerent would be respected; always, however, remembering that when the enemy government does unlawful things, reprisals are lawful.

Many millions of the American claims are for property sunk with the *Lusitania*, an unlawful act of Germany. There is no way to compel a government to make reparation for its unlawful acts except by doing what force gives the opportunity to do. The treaty of Versailles is not binding upon us, because we did not ratify it, but it is binding on Germany as a contract between that Government and the Allies that did sign it—England, France, Italy, and others. That treaty provides that the privately owned cables—not only the cables owned by the German Government but the cables owned by German corporations, German private property—shall be turned over. The United States will get its share of those cables.

Mr. STAFFORD. Will the gentleman yield?

Mr. TEMPLE. I regret that I must confine myself to the one line that I am discussing.

The CHAIRMAN. The gentleman from Pennsylvania declines to yield.

Mr. TEMPLE. The privately owned property found in our territory is not to be confiscated; it is to be retained. The gentleman asks how long. Let me read from the treaty to show how long it will be retained. I am speaking of the treaty of peace between the United States and Germany, not the treaty of Versailles. In section 5 it says:

It is further provided that the property of all German and Austro-Hungarian nationals coming into the possession of the United States following the declaration of war should be retained by this Government, except as provided by law, until the enemy Governments shall have made suitable provision for the satisfaction of all claims arising against said Government on behalf of American citizens who had suffered damages to their persons or property through the acts of the German or Austro-Hungarian Government.

The question is not whether we are going to turn back all of this property. That question is not before us. If the amendment turning all of the property back should be put into the bill the whole bill will be lost. Men whose consciences require them to return this property now rather than to follow out the terms of the treaty will kill the whole project.

Mr. BRITTEN. Will the gentleman yield?

Mr. TEMPLE. I will yield.

Mr. BRITTEN. I would like to ask the gentleman if he does not think the United States Government has acquired for its own use enough property to care for these private claims?

Mr. TEMPLE. I presume that was taken into consideration during the negotiation of the treaty and when the treaty was drawn up, but the German Government evidently did not think so, for it agreed to the provisions I have just read.

The question is whether to turn back the claims under \$10,000 or to turn it all back. Why do we propose to turn back the small claims under \$10,000? They amount to 95 per cent in number, but not 95 per cent in value, of all the claims.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WINSLOW. Mr. Chairman, I yield to the gentleman five minutes more.

Mr. TEMPLE. We turn back the small claims; why do we not turn back the larger claims? All these claims, large and small, become a question between the German Government and its own nationals. What is the German Government to do about privately owned property of its citizens which it has turned over to this Government under the terms I read from the treaty a few minutes ago? If the time should come when we would have to sell the property to make good the claims of our people against Germany, then the German owners would hold the claim against their own Government. Our people now have a claim against the German Government. This treaty authorizes the United States Government to hold the property of the German owners until the German Government pays the American claims. If we should even sell the property the German nationals would have a claim on their own Government. The small owners whose claims are under \$10,000 may not be able to put much pressure on the German Government to hasten the time specified in the treaty, but the large owners can put pressure on that Government, and they are doing it. If they learn definitely that we are going to hold this property until the claims are settled, the German Government will come to time as soon as possible. That is the point. It is not a question of the confiscation of that property by the American Government. If we sell it the owners have a claim against their own Government.

I would rather the Germans would have a claim against the German Government now than leave the American citizen without any guaranty to collect a claim against the German Government. [Applause.] They will deal with their own people in a way they might not deal with the people of our Government. I am not raising the question of good faith, but their own people, powerful influences in Germany, will be able to put a pressure on the German Government for the settlement of these claims of the American citizen which might not otherwise be paid for a very long time. There is no dishonesty in what we are doing. Reprisals, in the first place, would be recognized in all systems of international law. If it was taking property in compensation of unlawful acts committed by the German Government, the policy of it might be questionable, but it would not be a departure from the principles of reprisals. We did not do that. But the German Government has agreed that we may hold the property until the German Government makes good. I am in favor of the bill. I shall be opposed to the amendment that will turn the remainder of the property over. I think such an amendment would kill the bill. [Applause.] Mr. Chairman, I yield back the remainder of my time.

Mr. RAYBURN. Mr. Chairman, I yield 30 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, I do not think I can make much of a speech on this bill. Really, I have not the patience to discuss it. I never have had much heart for a sham battle.

I trust that the Members of the House will not think me ill-mannered to again refer to this Congress as a "bunk Congress"—always pretending to do something, never really doing anything; always stalling; always grand-standing; always playing for political advantage; never responding to the public interest or dealing courageously and patriotically with the issues that come before it. Feeling this way, surely instead of being ill-mannered I am polite in restraining myself to such a moderate expression as "a bunk Congress."

There is not the slightest chance that this bill will pass the Senate. Those who put it forward know that it can not become a law. There is to be no honest effort upon the part of the administration to put it through the Senate. It is brought here merely as a little partisan play to satisfy certain elements that feel that this situation ought now to be dealt with.

Instead of dealing with the final disposition of the seized property of German subjects in a courageous, whole-hearted way, we find merely a straddle, a palliative, a hedging, a compromise. Instead of taking the property and confiscating it and applying it to the payment of American claims in full, which, whatever one may think of its morality, would be a consistent and logical policy, the administration proposes to give back a little of it in order to hush up some of the clamors that are being made. Instead of giving all the property back to its true owners and ending the matter, those who are in political power are afraid to do it, even though they wanted to do it.

They are afraid to affront the *Lusitania* claimants and other American claimants who want the money on their claims against Germany. Therefore they propose this compromise. Bunk!

If it is right to give any of this property back to its owners it is right to give it all back. If it be moral to confiscate a part of the property of private citizens of Germany and apply it to the payment of claims against that Government, then we should take all of this property and make that application of it. But with characteristic cowardice the administration proposes a middle course which will hush up the largest possible number of German claimants and their friends and at the same time not frighten those Americans who have claims against Germany into thinking they are about to lose their debts. Bunk!

I am amazed that gentlemen should argue upon this subject as though it were a mere question of law. They juggle with legal quips and subtleties—they point to the treaties of Versailles and Berlin—they quote the cold letter of the law like attorneys for the plaintiff in an action on a promissory note. They seem to think it is a sufficient answer to moral arguments to point to our agreement with the conquered German Government and say, "it is not so nominated in the bond," and therefore we will confiscate the private property. The Shylockian philosophy of these gentlemen is indeed surprising in dealing with questions which involve our Nation's honor and the integrity of the Republic.

I am surprised that gentlemen should argue this question wholly from a legalistic standpoint, as though it were a mere question of law. Pardon me, my friends, but from my point of view the legal aspect of the subject is the least of all its aspects, and of the very least importance. It is a matter of

great national policy, touching our relations in the future with all of the nations of the world. That is its first important aspect. The other is that it is a matter of our national honor and of our Nation's integrity.

Oh, the gentleman from Pennsylvania, Doctor TEMPLE, for whom I have great respect, knows a lot about theology, so I am told, and, of course, he knows that the old rule of an eye for an eye and a tooth for a tooth was abolished by the New Dispensation. It makes no difference to me what Germany has done or what Germany is. The things with which I am concerned is: What has my country done? What shall my country do? What shall my country be? [Applause.] I am not willing to test the standards of American national honor by the standards of Germany, Great Britain, or of any other nation of the world, whatever they may be, and without disparagement to any of them.

The gentleman from Pennsylvania [Mr. TEMPLE] thinks that it is not immoral to take this property!

Of course the gentleman is entirely conscientious in that view, and far be it from me to assert that he is wrong. I must speak only from my own standpoint and express only my own opinion. I never have any trouble in deciding what is the honorable thing for my country to do. It has never troubled me to determine what the standard of integrity for my country should be. All I need for my own satisfaction to do in such cases is to ask, What would my personal honor require of me as an individual under the given circumstances—what should be my personal standard of integrity as applied to the situation? The principle is old. It is not at all modern. The standard of honesty has been laid down for a long time. I do not have to invent it. Thank God there is authority—authority old as the hills—it comes to us in the divine commandment, "Thou shalt not steal!" It is just as wrong for nations as it is for individuals to steal.

That is the way I determine what my country ought to do under such circumstances. We were engaged in war with Germany. We declared through our official spokesmen time and again, as it was also declared upon this floor, that our war was not against the German people as individuals but against the Imperial German Government. We assured the people of Germany even when the war was near its hour of closing that if they would overthrow their autocratic Government and inaugurate a rule of democracy we would be ready to accept them back upon terms of peace as friends. Oh, I suppose we were liars when we told them that, were we? Very well, then, in that case of course we do not have to be consistent.

We declared war against the Imperial German Government. We did not declare war against private German citizens and individuals. Under our declaration of war against Germany it was honest and permissible for us to take the property of the German National Government, but it was not moral that we should take advantage of the fact that citizens of Germany had invested their money and their property in this country, to confiscate it merely because we were at war with their country. "Thou shalt not steal" is as applicable to governments as to individuals.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. BRITTEN. The gentleman has referred to the "bunk" of the present administration.

Mr. HUDDLESTON. Oh, yes; and I called this "the bunk Congress."

Mr. BRITTEN. Let me call the gentleman's attention to one thing. The word "confiscation" is used. The present administration is attempting to return at least a margin of its so-called confiscation. What has the gentleman to say about the former administration, which confiscated property and then under a "bunk" sale sold something worth hundreds of millions of dollars for a paltry few dollars? That property can never be returned.

Mr. HUDDLESTON. The former administration did not confiscate property. If the gentleman means to ask me what I think of the transaction with the Chemical Foundation, I will say to him that I think everyone who participated in that deal ought right now to be in the penitentiary. Is that sufficiently direct to satisfy the gentleman?

Mr. BRITTEN. That satisfies me. It was done by the gentleman's administration.

Mr. HUDDLESTON. Why does the gentleman lug in that kind of partisan stuff? It is bad enough to have a "bunk" administration on hand now. For God's sake let us forget, if we can, the "bunk" of the past.

Mr. BRITTEN. I was trying to draw a comparison.

Mr. HUDDLESTON. Surely, with this administration in front of us and with this Congress in front of us, the gentleman ought not to be talking about past administrations and

past Congresses. The Chemical Foundation steal to which he refers and condemns did have in it a certain element of courage, which is a thing that neither this administration nor this Congress has had. I have some sort of respect for the highwayman who meets me on the road and holds a pistol to my head, much more than the cowardly sneak thief who slips behind me and dives his hand into my pocket. [Applause.]

Now, we had a treaty when we went to war with Germany, a mere "scrap of paper," of course, and article 23 of that treaty reads as follows. This is the treaty which came down from 1799 and was in effect with Germany when war was declared on April 6, 1917.

If war should arise between the two contracting parties, the merchants of either country then residing in the other shall be allowed to remain nine months to collect their debts and settle their affairs, and may depart freely, carrying off all their effects without molestation or hindrance; and all women and children, scholars of every faculty, cultivators of the earth, artisans, manufacturers, and fishermen, unarmed and inhabiting unfortified towns, villages, or places, and in general all others whose occupations are for the common subsistence and benefit of mankind, shall be allowed to continue their respective employment and shall not be molested in their persons, nor shall their houses or goods be burnt or otherwise destroyed nor their fields wasted by the armed force of the enemy into whose power by the events of war they may happen to fall; but if anything is necessary to be taken from them for the use of such armed force the same shall be paid for at a reasonable price.

Then as the closing sentence of the next article I find this:

And it is declared that neither the pretense that war dissolves all treaties, nor any other whatever, shall be considered as annulling or suspending this and the next preceding article; but, on the contrary, that the state of war is precisely that for which they are provided and during which they are to be as sacredly observed as the most acknowledged articles in the law of nature and nations.

Mr. HUSTED. What has the gentleman to say to the provisions of section 5 of the existing treaty between Germany and America—that is, the treaty which terminated the war? This provision, as I understand it—

Mr. HUDDLESTON. I am entirely familiar with it.

Mr. HUSTED. Permitted the doing of everything that is proposed to be done under this legislation.

Mr. HUDDLESTON. I must have been very obscure and confused in the beginning of my remarks in which I devoted myself to those gentlemen who take a purely legalistic view of this situation—those who say "the letter of the law gives the right to take this property and therefore we will take it." I regret my argument was entirely lost on the gentleman from New York. Surely I ought not to be expected to go back and repeat what I said from the beginning of my remarks.

Mr. HUSTED. I am not asking the gentleman to do that.

Mr. HUDDLESTON. From the beginning of this debate gentlemen have been making the same legalistic argument which the gentleman now puts forward as against the moral argument I am presenting, and making it with the same art with which the gentleman from New York now seeks to place the letter against the spirit of the law, legal quirks and subtleties against the morals of the situation. They also have sought to obscure the aspects of national honor and policy that we have the legal right to confiscate.

Mr. HUSTED. I have not put forward that argument at all.

Mr. HUDDLESTON. I will acknowledge the gentleman has not presented any argument at all. Will he not allow me to proceed?

Mr. HUSTED. I asked a question, which the gentleman did not answer.

Mr. HUDDLESTON. I answered the gentleman. He must not expect me to make him understand my answer.

Mr. HUSTED. I do not think anybody else understood it.

Mr. HUDDLESTON. The gentleman is in error to assume to measure the understanding of others by his own.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. HUDDLESTON. I will.

Mr. NEWTON of Minnesota. The provision the gentleman read in the Prussian treaty applies to merchants in this country. The seizure by the Alien Property Custodian was the property of nonresidents of enemy aliens. That is the property involved in this legislation.

Mr. HUDDLESTON. Really these fellows who argue these superfine legal points make me laugh. They seem unable to comprehend that morality and good faith are more worth while. I read the articles from the treaty merely for the purpose of indicating some idea of the liberal and enlightened spirit of that time and the spirit which characterized the treaty. Yet the gentleman returns to drive through a legal wilderness and wriggle in and out between the trees in the effort to find some safe course for what he wants to do. I am appealing to the spirit of the treaty. I have no doubt that had there been such conditions existing when the old treaty was written as there was in 1917 it would have covered by its clear letter every situation that has been pointed out. I submit that we ought

not to approach this subject like a special pleader in a case in court and to undertake by these legalistic arguments to dull the qualms of good conscience before the nations of the world. Now, if the gentleman will permit me to make my point—

Mr. HARDY of Texas. Will the gentleman yield?

Mr. HUDDLESTON. If the gentleman will permit me to make my point, then I will yield.

We had Germans in this country who were interned without trial upon a mere suspicion. Those Germans had their property seized by the Alien Property Custodian and it is still withheld from them. They were strictly within the protection of the letter of this treaty. No good lawyer who examines the subject will deny this statement, yet we are holding their property now. That is the fact.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HUDDLESTON. In a moment. But I have just asked that I be let alone for a moment or two.

Mr. DENISON. If the gentleman does not care to yield I hope he will not scold.

Mr. HUDDLESTON. How can I help scolding at gentlemen who take the position the gentleman takes? I have no patience to answer the stuff they put out. I really have no heart for this discussion. I am merely trying to oblige my friends on the committee and take up a little time. [Laughter.]

As I said, here is our treaty of 1799. We made a solemn agreement. We deliberately made it applicable to a condition of war. What is the spirit of the treaty? It is that we invited the people of Germany to come to the United States and locate among us and do business here. We invited them to make their investments here. By this treaty we called upon every German subject to come to the United States and buy property, whether he wanted to live here or not. After we got them here and got their money invested and got them to help us develop our great new country, along comes a war, and, forsooth, because we think there is some sharp legalistic ground upon which we may confiscate their property, we do it. Such a proceeding must be shocking to the enlightened conscience of mankind.

Now I yield to the gentleman from Texas [Mr. HARDY].

Mr. HARDY of Texas. I think the gentleman has perhaps covered the proposition I had in mind. But I think the truth to be that if there is an obligation standing between you and me I can not get away from that obligation by making an agreement with some other party. And so if we have had a moral or legal obligation with German nationals individually we can not nullify that or evade it by entering into a treaty with the German Government.

Mr. HUDDLESTON. That is true. I am in full harmony with the gentleman's statement. But what is the use to argue with the Republican majority, with its evasive policies? It always faces both ways. Go ahead with your bunk Congress and pass your bunk bill. [Applause.]

Mr. NEWTON of Minnesota. Mr. Chairman, how much time has been consumed?

The CHAIRMAN. The gentleman from Minnesota has one minute remaining. The gentleman from Massachusetts [Mr. WINSLOW] has 46 minutes, and one hour remains in opposition to the bill.

Mr. NEWTON of Minnesota. I yield 15 minutes to the gentleman from Illinois [Mr. DENISON].

The CHAIRMAN. The gentleman from Illinois is recognized for 15 minutes.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield for a question before he enters on his speech?

Mr. DENISON. Yes.

Mr. DEMPSEY. It appeals to many of us that the soundness of the argument of the gentleman from Pennsylvania [Mr. TEMPLE] depends on this question: Gentlemen on the other side, including the gentleman from Texas [Mr. HARDY], contend that Germany had no right, in representing its own nationals, to make this treaty of peace as to its own nationals in this country. Now, it appeals to us on this side that, *prima facie*, Germany represents its nationals, and we can not go back of that representation at all. We are bound by their representations that they act for them, and they have a right to act for them, and we can not inquire into their rights. And so they are bound by the treaty.

Mr. DENISON. That question anticipates a matter that I was going to discuss. And I want to say, gentlemen, that I have looked into this matter very carefully from the international and legal standpoints.

I am not going to discuss the so-called higher and moral propositions, because I do not think they are pertinent to the question here. So long as we do what is legally right, the

moral proposition takes care of itself. The gentleman from Alabama [Mr. HUDDLESTON] speaks to the House in the way I have often heard lawyers speak in trials at court when they say to the jury it does not make any difference what the law is, but the question is whether you ought to do this or do that. He appeals to Congress and says, "I do not want to pay any attention to this treaty or the legalistic questions," as he calls them, "but I am talking about a higher moral principle." That is what is called an "argumentum ad hominem" instead of appealing to the intelligence of Members of Congress.

In reply to the question of the gentleman from New York [Mr. DEMPSEY] I am going to ask leave to extend my remarks in the Record by including some references to legal authorities and precedents.

Briefly stated, here are a few of the principles which I have developed, and I hope that the Members, if they have time, will follow them in the Record as they may appear: The first is that we have seized this property as a war measure, and we had a perfect legal right under the rules of war to seize it; we seized it for the purpose of preventing its being used by our enemies in the war against us. That was the justification for it, and that was the reason for it.

Now, another principle is that all that the German citizens have, as a result of that seizure, is a claim against the Government. The alien property law authorized the Alien Property Custodian to dispose of this property as he saw fit, and he has disposed of a great deal of it and has converted it into money and the money has been turned into the Treasury, and all that these citizens now have that is recognized by international law is a claim for the value of that property.

The same is true with respect to the American property seized in Germany and Belgium by the German Government and the claims of the people whose property or families were destroyed on the *Lusitania*. They have what is known in international law as a claim against the Government for the value of property taken.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. BRITTEN. The gentleman referred to the wisdom of sequestering this property so as to prevent its use against us in the war. The gentleman will recall that the principal argument made in favor of the act creating the Alien Property Custodian was that we were going to take the alien enemy property and hold it in trust for the rightful owners and in due time return it to them.

Mr. DENISON. I know you heard of it, but you never knew of any nation holding alien enemy property simply for the benefit of the enemy. We took the property to prevent its being used against us by our enemies, and that is the only reason we had a right to take it.

Here is another legal principle: There are no such things as claims of the citizens of one country against another government that are recognized in law. I mean by that there is no such thing as a collectible claim.

Governments do not deal with the citizens of other governments except by express consent. That is well settled in international law. This Government does not deal with the citizens of Germany as citizens, and the German Government does not deal with the citizens of this country as citizens. All these matters are arranged by the Governments between themselves, and if the citizens of America have claims against the German Government or any other government, they can not collect them. They must depend upon this Government to collect them for them, and the same is true as to the claims of German citizens and the citizens of Austria and other nations against the United States. These claims of individual citizens against other governments are matters that have always been and always will be, so far as we can now tell, matters for discussion and settlement between the governments themselves as governments.

So we have this situation, that the citizens of Germany have claims against our Government which they can not collect except through their Government. The citizens of the United States have claims against Germany and Austria which they can not collect, which are not recognized in international law, except as they may be collected by our own Government. These are matters for disposition between the two Governments themselves.

Mr. SABATH. Will the gentleman yield for a question?

Mr. DENISON. I am afraid I will not have time. I will yield a little later if I may have the time.

Mr. Chairman, the soundness of any argument by which we reach our conclusions must depend as much upon the truth of the premises with which we start as upon the accuracy of the reasoning we pursue. I have found that our differences of opin-

ion on important questions of public policy result not so much from fallacies in our reasoning as from errors in the facts we assume as a basis for our reasoning.

Gentlemen assume as a fact that our retention of this property of our German and Austrian enemies or the appropriation of it for the payment of just claims of our own nationals against those countries amounts to a confiscation of the property. Of course, if we admit that fact to be true, then it reasonably follows that to retain it or so appropriate it would be at least unconscionable if not illegal.

But therein lies the error and the fallacy of the whole argument. I deny that we are confiscating any of this property. Whether we simply retain it or a part of it as security for the payment of American claims, or appropriate a part of it for the payment of such claims, we would not be confiscating it within the accepted meaning of that term. If it would not amount to confiscation, then what becomes of the arguments we have heard that are based upon that assumption?

Now, what constitutes "confiscation" of private property? The term has but one definition in the textbooks and judicial decisions.

In domestic law confiscation means taking private property for public use without due process of law or without just compensation. Due process of law means in accordance with the recognized procedure and principles of the law of the land, and just compensation means just what the words imply.

In the law of nations "confiscation" means seizing or taking the property of an enemy State or its subjects and appropriating it to the public use.

In Pope's Legal Definitions of Words and Phrases, the term "confiscate" is defined to mean "To appropriate to the use of the State. Especially used of the goods and property of alien enemies found in a State in time of war." And that definition is taken from Kent's Commentaries (Vol. I, p. 52).

Rapalje and Lawrence's Law Dictionary defines it as "appropriation to the use of the State. As where the State seizes property belonging to another State or its subjects and appropriates it."

Corpus Jures says "confiscation" means "in international law, where a State seizes property belonging to another State or its subjects and appropriates it to public use."

Now, I contend, and, if I have the time, can prove, I think, that we are in no sense confiscating any of this property within the meaning of that term in international law.

First, we seized the property lawfully.

Second, we are holding it and can use so much of it as may be necessary to pay American claims, according to the provisions of our treaties of peace with Germany and Austria, and in accordance with a usage well recognized in international law and in the precedents of our own Government.

Third, we are not holding and will not appropriate the property for public use, but rather for the use of private American claimants against Germany and Austria, who have by treaty authorized us to do so.

So whether we merely retain this property as security, or ultimately use a part of it for the purpose indicated, there is not one single element of confiscation involved in our action.

Preliminary to further discussing the subject, I want to pause long enough to refer again to certain incidental questions that are merely incidental, but that may nevertheless be confusing and obscure our understanding of the real questions involved.

I have said we seized or took possession of this property lawfully. It was seized while we were at war as a war measure, and we were justified in doing so for one purpose only, namely, that we might prevent its being used by the enemy against us, and that we might thereby cripple the enemy and the more easily defeat him. We took this property just as we took the enemy's ships and just as we would have taken the money or other property of his nationals if our armies had captured the enemy's possessions or had invaded his home territory. Nations at war are justified under the rules of war in seizing the enemy's resources so as to deprive him of the means of carrying on the war and thereby the sooner end the conflict. The method of taking over the enemy's property is a mere incidental and not an essential factor in the question involved.

In this war it happens that our Government followed a new procedure heretofore practically unknown in the history of warfare. Instead of taking the enemy's property and destroying it or using it, Congress provided for an official whom we called the Alien Property Custodian, to take possession of it and hold it until such time after the conclusion of peace as Congress should dispose of it. And whether we choose to designate the Alien Property Custodian as a mere common-law trustee or simply as an agent of the Government to hold and conserve and manage the property is wholly immaterial.

Some who testified at the hearings referred to the discussions in the Congress when the trading with the enemy act was under consideration to show that this Representative or that Senator stated that we were taking over the enemy's property merely to conserve it and save it from loss or deterioration, and argued from those statements that we were merely holding this property as a trustee or agent for the German nationals, and that we have no right to deal with it from any other point of view. It may be true that some Members of the House and some Senators had that thought in mind and were governed by that purpose.

But others believed and so expressed themselves that we were taking over this property as the property of our enemies and for the purpose of preventing its being used against us by the enemy. But whatever may have been the view of one individual Member of Congress or another, or whatever may have been the purpose of a majority of the Congress at that time, the fact remains that we did take possession of this property of our enemy as a war measure; that we were wholly justified in doing so, and that we now have it in our possession as a result of the exigencies of war, and we have the right to and must dispose of it in accordance with our duty to our own citizens as well as the citizens of Germany and Austria, and in accordance with the recognized principles of international law.

There are certain fundamental facts which we must admit, as I have stated.

One is that the German and Austrian nationals whose property we seized have only what is known in international law as claims against our Government for the value of the property seized. The Alien Property Custodian is not now in possession of all the property that was seized; much of it has been liquidated; part of it has been converted from real estate and personal property into money; other parts of it have been sold and the proceeds turned into the Treasury. All of it might properly have been converted into money. The form in which this property now exists in the hands of the custodian is a mere incident. His duty was to conserve it, and he had the right under the law to convert any part or all of it or dispose of it if he thought it wise to do so. So all the German nationals have to-day for the property that was seized is a claim against our Government for its value. Now, this claim is a mere chose in action. If it is a valid claim, it is a vested property right. That question has been adjudicated many times by the courts of last resort in this country.

In 1828 Mr. Justice Story, delivering the opinion of the Supreme Court of the United States in the case of *Comegys v. Vasse* (1 Pet., p. 193), held that the just claims of American citizens against foreign governments for property taken or destroyed are choses in action and are vested property rights, which may be assigned or transferred. Of course, the government against whom the claims exist may not recognize such assignments if it chooses not to do so, and in our trading with the enemy act Congress made such a provision. The decision of Justice Story in the case just cited has been since that time recognized as the law, so far as this Government is concerned, and has been followed in numerous decisions of the Supreme Court.

On the other hand, during the war Germany took possession of the money and the factories and the real estate and other property of American citizens in Germany and in Belgium and in parts of France, and during the period preceding our entry into the war Germany sank American ships and destroyed American lives on the high seas. And as a result of all these acts American citizens simply have claims against the German Government for the value of the property taken or the damage inflicted, and these claims are mere choses in action, although they are recognized as vested property rights.

So, in dealing with this question we must keep in mind the fundamental fact that we are not dealing with the specific or identical property of the German citizens seized or destroyed by our Government or with the specific or identical property of American citizens seized or destroyed by Germany. We are dealing with certain claims of the German nationals against our Government and with certain claims of our nationals against the German Government for the value of property seized or for property or lives destroyed.

Another fundamental principle that I have already referred to and should be kept in mind is that while the claims of the nationals of one country against a foreign government are recognized as vested property rights, they are not such claims as can be enforced or collected by the nationals themselves without the consent of the foreign government. Citizens of Germany or other countries can not enforce their claims, however just, against the United States without the consent of the Congress. Our courts are not open to them. They can not even be pre-

sented unless Congress by legislation gives its consent, nor can our own citizens present or collect their claims against Germany without the consent of the German Government.

Congress has at various times by express legislation consented for citizens of foreign countries to present their claims against the United States through the Court of Claims or through mixed commissions or arbitration tribunals, but this has always been done by treaty agreements between the two Governments. Sovereign nations do not deal with the citizens of other governments in their individual capacity. There is no principle more universally recognized in the law of nations and more frequently stated by law writers than this.

If our citizens have claims against foreign governments or if the citizens of other governments have claims against the United States, they can not themselves take them up for adjustment with the governments. They must do so through their own government, and claims of this kind are always adjusted between the respective governments and not by the governments and the citizens of the other government.

It follows from the principle just stated that in the adjustment of claims of the citizens of one country against the government of another the governments themselves may make such disposition or adjustment of the claims as justice and their mutual interests may require. They may provide by treaty agreement for the arbitration of the claims before an arbitration tribunal or may provide for their adjudication before mixed claims commissions, or the governments may, by treaty, absolutely destroy the claims of their own citizens against the other government or may provide for the mutual cancellation of such claims where there are existing claims of the citizens of each government against the other.

In Volume II of Butler's work on the Treaty Making Power of the United States, page 293, the author says:

Notwithstanding the fact that these claims are property rights, on numerous instances claims of citizens have been absolutely destroyed, so far as they existed against the foreign government, by the action of the Executive in making a treaty and of the Senate in ratifying it. In such cases no further action of Congress appears to be necessary so far as the complete extinguishment of the claim against the other government is concerned, but congressional action is necessary in order that the American citizens whose property has been confiscated may prove their claims against the United States and be indemnified for the loss they have sustained.

So our Government can properly, by treaty, completely extinguish or destroy the claims of American citizens against foreign governments, and the German Government may likewise do so. For more than a hundred years this practice has been recognized and followed among the nations of the world and it is now well settled in the admitted principles of international law.

I could, if I had the time, refer to many instances in which our Government by treaties with other governments has provided for the mutual adjustment of claims of their respective nationals against the other governments, and I could cite a few instances in which such treaties have provided for the absolute extinguishment or destruction of such claims.

In John Bassett Moore's History of International Arbitrations more than 50 instances are cited, I believe, in which the United States has entered into treaties with other governments providing for the disposition of claims of our citizens against such governments, or the claims of their citizens against the United States. Several of these treaties provided for the adjustment of claims arising out of or connected with wars in which our Government was involved.

I might refer first to the treaty of the United States with France, made on the 31st of July, 1801, and ratified by the Senate on the 21st of December following, in which our Government settled what has subsequently been known as the French spoliation claims.

During the French Revolution the French men-of-war destroyed many ships of commerce belonging to American citizens on the high seas and appropriated their cargoes to their own use. And more especially during the later years when Napoleon rose to power, Great Britain and many other governments of Europe declared war on France and announced that they would starve the French nation into submission. At that time, as in the late war, Great Britain employed her navy to drive the French from the high seas and starve her into submission by a blockade. The French seized American ships wherever they could be found and appropriated their cargoes of foods bound for other countries in Europe, and out of this situation, which continued through a number of years and which came near resulting in a declaration of war against France by the United States, American citizens had just claims against the French Government for the loss of life and property taken or destroyed.

On the other hand, France had claims against our Government growing out of the violation of the treaty of 1778, under

which we guaranteed the French possessions in America and growing out of the loans which France had made us during the Revolutionary War. In brief, this treaty provided that the claims of the citizens of the United States should be set off against the claims which the French Government had against the United States for the money it had loaned us and for our failure to fulfill our treaty obligations whereby we guaranteed the integrity of the French possessions in America. The United States by this treaty used the claims of American citizens against France, amounting to many millions of dollars, to settle admittedly just claims of the Government of France against the United States, and thereby relinquished and destroyed them.

The result of this settlement of the claims was that in 1864 and at later dates Congress considered legislation for the payment by this Government of all those claims of American citizens against France which our Government had by treaty canceled and which were known as the French spoliation claims.

Mr. EDMONDS. And the United States has not paid her citizens that lost those ships yet.

Mr. DENISON. I was going to say that the United States made that solemn treaty and agreed to cancel all of the claims of American citizens, and did so—just wiped them right out—in consideration for France agreeing to cancel the debt that we owed her. That is the way we got rid of that debt for the money which France had loaned and the other debt that we owed her.

Mr. BANKHEAD. Does the gentleman want to use that precedent of alleged repudiation on the part of our Government as a precedent to follow here?

Mr. DENISON. Not in the way the gentleman from Alabama states it.

Mr. BANKHEAD. The construction which the gentleman from Pennsylvania [Mr. EDMONDS] put upon it, and which the gentleman from Illinois [Mr. DENISON] acceded to, certainly puts us in that light.

Mr. DENISON. Do not understand me as acceding to anything unless I say so. I am using it as a precedent to show how our own Government settled its claims against France and the claims that France had against our Government.

Mr. DEMPSEY. The question whether we have paid our own citizens or not is an entirely different matter.

Mr. DENISON. That is an entirely different question.

The report of the Senate Committee on Foreign Affairs, prepared by Senator Sumner and filed April 4, 1864, reviews the history and the disposition of the French spoliation claims. The Members, I am sure, would enjoy reading this report, for it is historic and contains a very learned discussion of the whole subject, and can be found in part 1 of Senate Document 231 of the Fifty-sixth Congress, second session. Speaking of the treaty between this country and France, Senator Sumner said:

Thus closed a protracted controversy where each power was persistent to the last. Nothing could be more simple than the mode of adjustment and nothing more equitable if we regard the two nations only. The claims of each were treated as a set off to the claims of the other, and mutual releases were interchanged, so that each, while losing what it claimed, triumphed over its adversary. But the triumph of the United States was at the expense of American citizens. Nothing is without its price, and new duties, originating in the triumph, at once sprang into being.

I might also refer to the treaty of Washington, concluded in 1871 between United States and Great Britain, in which the two countries agreed to settle by the Geneva tribunal all claims of American citizens against Great Britain growing out of damages caused to American commerce by the depredations of the Confederate cruisers *Alabama* and *Florida* which had either been built or sheltered in British harbors during the Civil War.

And if time permitted I could refer to a number of other treaties between the United States and foreign governments in which the United States disposed of claims of her own citizens against foreign governments, either by requiring payment of the claims by foreign governments or by releasing or destroying such claims and assuming them, or agreeing that they should be paid by our own Government.

The point I wish to emphasize, and that would be made clear if the Members could but hastily review the many treaties between the United States and other Governments in which the claims of American nationals against foreign governments and of foreign nationals against the American Government were settled, is that it is entirely in harmony with the past history of our Government and with well-recognized principles of international law for the governments to settle by treaty the claims of their citizens against foreign governments; and that it has been a not infrequent custom in such treaties for the governments to mutually release and destroy the claims of their nationals against the other governments.

Let me cite the treaty between the United States and Spain at the close of the Spanish-American War. As a result of that war, citizens of Spain in Cuba and in the Philippines had many claims against the United States for property commandeered or destroyed, and many citizens of the United States had claims against Spain for property destroyed in Cuba, both before and after the declaration of war, including the claims of those who were injured and the dependents of those who lost their lives on the battleship *Maine*. Article 7 of the treaty of peace between this country and Spain contained the following provision:

The United States and Spain mutually relinquish all claims for indemnity, national and individual, of every kind of either Government or of its citizens or subjects against the other Government that may have arisen since the beginning of the late insurrection in Cuba and prior to the exchange of ratification of the peace treaty, including all claims for indemnity for the cost of the war. The United States will adjudicate and settle the claims of its citizens against Spain relinquished in this article.

Thus the United States by treaty canceled the just claims of American citizens against Spain for lives lost and property damaged and destroyed and agreed to adjust and pay them herself, and Spain did the same with reference to the claims of her citizens against the United States.

Now, when the World War was formally closed by the treaty of Versailles, what provision was made for the payment of private claims growing out of the war?

Part 10, chapter 5, section 4, article 297, page 369 of the treaty of Versailles was as follows:

The nationals of allied and associated powers shall be entitled to compensation in respect of damage or injury inflicted upon their property, rights, or interests, including any company or association in which they are interested, in German territory as it existed on August 1, 1914, by the application either of the exceptional war measures or measures of transfer mentioned in paragraphs 1 and 3 of the annex hereto. The claims made in this respect by such nationals shall be investigated, and the total of the compensation shall be determined by the mixed arbitral tribunal provided for in section 6 or by an arbitrator appointed by that tribunal. This compensation shall be borne by Germany, and may be charged upon the property of German nationals within the territory or under the control of the claimant's State. This property may be constituted as a pledge for enemy liabilities under the conditions fixed by paragraph 4 of the annex hereto. The payment of this compensation may be made by the allied or associated State, and the amount will be debited to Germany.

And, on page 373, the treaty provided as follows:

Germany undertakes to compensate her nationals in respect of the sale or retention of their property, rights, or interests in allied or associated States.

And on page 379 thereof is found the following provision:

All property, rights, and interests of German nationals within the territory of any allied or associated power and the net proceeds of their sale, liquidation, or other dealing therewith may be charged by that allied or associated power in the first place with payment of amounts due in respect of claims by the nationals of that allied or associated power with regard to their property rights and interests, including companies and associations in which they are interested, in German territory, or debts owing to them by German nationals, and with payment of claims growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and before that allied or associated power entered into the war. The amount of such claims may be assessed by an arbitrator appointed by Mr. Gustave Ador, if he is willing, or if no such appointment is made by him, by an arbitrator appointed by the mixed arbitral tribunal provided for in section 6. They may be charged in the second place with payment of the amounts due in respect of claims by the nationals of such allied or associated power with regard to their property, rights, and interests in the territory of other enemy powers, in so far as those claims are otherwise unsatisfied.

Now, while the United States did not sign or ratify the treaty of Versailles, yet we afterwards, by the treaty of Berlin, signed August 25, 1921, and the treaty of Vienna, signed August 24, 1921, in which we made peace with Germany and Austria, received all the benefits with respect to the claims of our citizens against Germany that we would have received under the treaty of Versailles.

The purpose and intention of our Government to secure a just settlement of the claims of American citizens against the German and Austrian Governments has been made clear and precise from the beginning.

In the joint resolution of Congress, approved by the President July 2, 1921, known as the Knox-Porter resolution, we provided as follows:

That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same to which it or they have become entitled under the terms of the armistice signed November 11, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Versailles, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any act or acts of Congress, or otherwise. * * *

SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals, which was, on April 6, 1917, in or has since that date come into the possession or under control of or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore, or specifically hereafter shall be, provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments, respectively, of all persons, whosoever domiciled, who owe permanent allegiance to the United States of America, and who have suffered through the acts of the Imperial German Government, * * * and until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively confirmed to the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America.

This resolution reserved for the United States and its nationals the rights accorded them under the treaty of Versailles and the treaty of St. Germain. Nowhere in either treaty, however, was any right given to any American citizen to enforce Congress to use enemy property held by the Alien Property Custodian in payment for, or as security for, his claim for damages against the German or the Austrian Government. The very statement of such a proposition is its own answer. The power of Congress after the war to dispose of this property as it should direct remained untrammelled as far as the treaty of Versailles and the treaty of St. Germain were concerned.

And in the treaty of Berlin, signed on August 25, 1921, in which he made formal peace with Germany, article 1 thereof provided as follows:

Germany undertakes to accord to the United States, and the United States shall have and enjoy all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the treaty of Versailles which the United States shall fully enjoy, notwithstanding the fact that such treaty has not been ratified by the United States.

And in the treaty of August 24, 1921, in which the United States made formal peace with Austria, article 1 thereof was as follows:

Austria undertakes to accord to the United States and the United States shall have and enjoy all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the treaty of St. Germain-en-Laye, which the United States shall fully enjoy, notwithstanding the fact that such treaty has not been ratified by the United States. The United States, in availing itself of the rights and advantages stipulated in the provisions of that treaty, will do so in a manner consistent with the rights accorded to Austria under such provisions.

So by solemn treaties between the United States and Germany and Austria we are entitled to the benefits of the provisions of the treaty of Versailles and the treaty of St. Germain with reference to the claims of American citizens against Germany and Austria, and with reference to the property of German and Austrian citizens now held by the United States and the claims of those citizens resulting therefrom.

The German and Austrian Governments have agreed by treaty to pay the just claims of American citizens against them, and for that purpose have agreed that the United States may retain the property now held by us belonging to the German and Austrian nationals until such time as the claims of American citizens against those Governments can be satisfactorily adjusted and paid; and they have agreed by treaty that this property of their nationals may be used to pay the just claims of American citizens against them, and have agreed that they would themselves compensate their nationals in respect of the sale or retention of their property rights or interests held by the United States.

No one can deny that the German Government had a perfect right to enter into that kind of a treaty.

No one can deny that such a treaty was in accordance with precedents and well-recognized principles of international law applicable to such cases.

The United States had entered into similar treaties with other governments before that.

The principle involved in our treaties with Germany and Austria follows the precedent of our treaty of peace with Spain following the Spanish-American War. Spain and the United States agreed each to compensate their own nationals for the

claims they had against the other. In this case Germany and Austria agreed to compensate their own nationals in such amounts as should be found necessary to meet the just claims of American citizens against them.

It is true that where a government by treaty destroys or relinquishes the claims of its own citizens against a foreign government it thereby exercises the high right of eminent domain. It confiscates the property of its own citizens; and where the United States Government takes that course it should, in turn, compensate its own citizens for the property rights which it has destroyed, because in this country there is a constitutional limitation on the right of the Government to take the property of its citizens without due process of law and without just compensation.

When the United States in the treaty of peace with Spain agreed to cancel or relinquish the claims of our citizens against Spain it had to agree to pay such claims itself because of this constitutional limitation.

And when the United States by the treaty with France in 1801 agreed to mutually cancel and set off the just claims of American citizens against France against the claims of France against the United States that amounted to a confiscation by our Government of the American claims, and under our Constitution the Government was bound to itself compensate American citizens for their claims which had been sacrificed. And that was the view taken by Congress, the result of which was we paid out of our own Treasury all of the French spoliation claims.

Germany and Austria have by these treaties agreed that the property of their citizens now held by this Government may be used to pay the just claims of American citizens against them. The execution of those treaties may result in a confiscation of this property by Germany and Austria, but it is not a confiscation of it by the United States. Following many precedents and in harmony with international practices, we have the right to retain this property as security for the payment of American claims and, if necessary, to appropriate it for that purpose; and in doing so we are not confiscating it.

We have by solemn treaties entered into with the German and Austrian Governments secured from them their solemn agreements that they will themselves compensate their own nationals in such amounts as may be necessary to use their property to pay just American claims. That is not confiscation by the United States. It is in international law the substitution of the guaranty and agreement of their own Governments for the obligation of our Government in favor of their nationals, to the extent to which the appropriation of their property may be needed to satisfy just American claims.

The fact that the German Government may be in a faltering or failing condition financially does not make any difference so far as legal principles are concerned. If a man brings suit against a railroad for damages due to personal injuries received in the service, the trial is conducted under the same procedure and judgment is rendered according to the same principles, regardless of whether the railroad is prosperous or is in a bankrupt condition.

And the treaties between this Government and Germany and Austria, touching these property rights of American citizens and of German and Austrian citizens, is just as solemn, just as binding, and entitled to just as much respect as they would be if Germany and Austria were the victors instead of the vanquished. Germany and Austria have solemnly agreed to pay their own nationals for the loss they may sustain by the use of their property to pay the American claimants. They have the same security for the fulfillment of that obligation as have France, Belgium, and the other Allies for the fulfillment of Germany's other obligations to them.

This bill provides for the payment of a certain amount and a very large number of the claims of German citizens against our Government. We should understand that we are doing this in a manner not heretofore followed by the nations of the world in international dealings. We are doing this voluntarily and, as a matter of grace, without any request or any treaty requirement with the Governments of Germany and Austria. We are holding the balance until the claims of American citizens against Germany and Austria can be adjusted and determined and satisfactory arrangements made for their payment. If satisfactory arrangement is not eventually made by those Governments for the payment of the American claims, then we will have the right without confiscation, but in accordance with precedents and principles of international law, as I have shown, to use such amount as may be necessary to pay American claims. Personally, I hope that may never be necessary, as a matter of course.

But right there, be it understood now, that if we should not do so, if the United States should eventually release this property and return it or its equivalent to the German and Austrian nationals and thereby deprive our Government and our citizens of the security which Germany has pledged for the payment of their claims, we will thereby come very nearly depriving our own citizens of their property rights without just compensation, and claims for every dollar of the American claims against Germany and Austria will sooner or later be filed against our own Government, and more than likely they will have to be paid from the Federal Treasury.

Mr. RAYBURN. Mr. Chairman, I yield 25 minutes to the gentleman from Missouri [Mr. HAWES].

Mr. HAWES. Shortly after the United States entered into the war with Germany and Austria it was proposed by the executive department of the Government that the property of German nationals should be placed in the custody of an official called a custodian. The object of the creation of that office was twofold—one was to prevent the use of that property against the United States and the other was to preserve the property for its owners.

Mr. Lansing, Mr. Redfield, and every witness that appeared before the committee of the House and the committee of the Senate stated that such was the intention. The property was to be returned to its original owners. In the debate in this House Mr. COOPER, Mr. HULL, Governor MONTAGUE, Mr. STAFFORD, and without a single exception, all stated that it would be the policy of the Government to temporarily conserve this property, and that it would be returned to its original owners. In making these statements they were carrying out the American policy enunciated by Thomas Jefferson, carried down through all the Secretaries of State to and including Mr. Knox and Mr. Lansing.

Now, what is the situation to-day? It is not what the German Government has done nor what the treaty contains. All the officials that came before our committee stated that this property was taken over by the American Congress, and the manner of its return should be decided solely by the American Congress.

Mr. CHINDBLOM. Would it disturb the gentleman if I asked him a question?

Mr. HAWES. No, sir.

Mr. CHINDBLOM. Can the gentleman state in what connection Secretary Knox may have enunciated that view?

Mr. HAWES. Mr. Knox not only made a statement but he joined with the gentleman from Pennsylvania [Mr. PORTER] in presenting the resolution of peace, and on the 11th day of June, 1921, Mr. Knox wrote a letter, and I hope every Member will absorb every word of it:

Prof. EDWIN M. BORCHARD,
Yale University, New Haven, Conn.

MY DEAR MR. BORCHARD: I am in entire sympathy with your views relative to the seizure of German property during the war. I have expressed on the floor of the Senate the opinion that in order to follow our traditions and be decent this property should be returned; that our only proper function was to conserve it during the period of hostilities, and in the peace resolution I introduced there is a clear indication that our retention of such property shall continue only until the adjustments of the terms upon which we are to live with Germany in peace are satisfactorily determined.

Very sincerely yours,

P. C. KNOX.

Mr. CHINDBLOM. That is in the report of the minority of the committee and relates to the discussion which Senator Knox entered into on the floor of the Senate. My question in regard to the proposition is whether Mr. Knox as Secretary of State was ever called upon to express his views in this matter.

Mr. COCKRAN. No such question ever came up while he was Secretary of State.

Mr. CHINDBLOM. The gentleman said that the policy had been followed by every Secretary of State, including Mr. Knox and Mr. Lansing. I want to know when Secretary Knox enunciated the policy. I know he so stated on the floor of the Senate.

Mr. COCKRAN. He was still the same man.

Mr. HAWES. He was the same Mr. Knox that drew the treaty of peace.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. HAWES. Yes.

Mr. RAYBURN. Most any sane person would interpret that letter to mean that if he had been asked while he was Secretary of State he would have been of the same opinion.

Mr. CHINDBLOM. As to the matter of sanity—

Mr. RAYBURN. Oh, I did not mean to apply that to the gentleman from Illinois; I never mean to be offensive.

Mr. CHINDBLOM. There might be some question as to the value of a man's opinion in a legislative debate where he discusses the matter and his opinion when he was called upon as an official.

When it is said that this policy has been followed by every Secretary of State, if the gentleman had some act which occurred during the incumbency of office of the Secretary of State, Mr. Knox, that would be more in point, would it not, than the letter which he wrote to a private citizen?

Mr. HAWES. Mr. Chairman, the gentleman can place his own construction upon the letter of Mr. Knox. My opinion is that it is very clear. He states in very understandable English what he thinks, and it is related to exactly this subject which, of course, had not arisen while he was Secretary of State. I assert again that there is not a decision of the Supreme Court of the United States that will uphold the theory of the confiscation of private property to pay a public debt; that there is not a writer on international law who has ever written on the subject who has not positively denied the right of a government to confiscate private property for a public debt.

The first thing to be made clear is that we are not dealing with the property of Germany. This is the property of private citizens who were invited to make their investments in the United States. The investments were made many years ago, in most cases upon the solicitation of friends and relatives living in this country. The established policy of our Nation was known to the people of the world. It was known to the people of Germany. We find in the first place that Austria-Hungary never took property from any American during the war, and in the second place we find that all the private property taken over by Germany during the war has been returned to American nationals excepting certain sums of money now in dispute in balancing bank accounts between the banks of Germany and the United States. If you will read the record, you will find that the Alien Property Custodian says they are fast approaching an adjustment of that subject, agreeing on 18 cents for the mark.

Mr. HUSTED. Mr. Chairman, will the gentleman yield?

Mr. HAWES. Yes.

Mr. HUSTED. I will put the question to the gentleman from Missouri that I propounded to the gentleman from Alabama [Mr. HUDDLESTON], which he declined to answer. What effect, if any, does the gentleman think the provisions of section 5 of the existing treaty between the United States and Germany have on the moral side of this question?

Mr. HAWES. My opinion is that under the provisions of that treaty, if the United States desires to take possession of the property of these enemy nationals, it has the right to do so. The treaty gives our Government that right. There is no doubt about it; but while it gives us the right, we are not directed to do it, and it is a matter of option for Congress alone to decide.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. HAWES. In just a moment. We can under that treaty seize the property, but there is nothing in the treaty that makes it compulsory upon us to seize it.

Mr. HUDDLESTON. Does it give us the moral right or the legal right?

Mr. HAWES. The legal right. The moral right is simply this: The gentleman from New York [Mr. HUSTED], we will say, visits my place of business, and he leaves some of his property there in my custody. He goes away, and a claim is presented against me, and I confiscate his property to pay my debt. That is the moral proposition as I see it.

Mr. HUSTED. Will the gentleman be gracious enough to yield further?

Mr. HAWES. Certainly.

Mr. HUSTED. Does not the gentleman think that the framers of the treaty between Germany and the United States, which terminated the war between that country and the United States, when they inserted the provisions of section 5, had this very identical situation in contemplation?

Mr. HAWES. No.

Mr. HUSTED. The gentleman does not think they had?

Mr. HAWES. I am confident they did not. They and Germany signed up quickly, and left that question for our Congress to decide. I do not think it was contemplated, certainly not by Mr. Knox, whose letter I have read, that we would ever confiscate this property or hold it as security, because security means ultimate confiscation, with which statement every lawyer will agree.

Mr. CRISP. Does not my friend think that makes the difference? A large part of this property was invested here under a treaty made in peace times and that treaty provided that if we ever went to war with Germany, the nationals of Germany would have the right to leave this country and have their property here protected, whereas section 5 of the treaty of Berlin,

which our friends insist gives the legal right to confiscate this property if we see fit to do it—and I agree with them that we have the legal right—was made after a war when Germany was defeated. In other words, does the gentleman not think duress had something to do with the terms of the treaty, and is not a treaty made in time of peace, when the contracting parties are equal, of higher moral dignity than a treaty made under duress?

Mr. SNYDER. But the gentleman would have to recognize that there was not peace until the treaty was signed.

Mr. HAWES. Mr. Chairman, as we proceeded with the war with Germany Mr. Wilson repeatedly issued messages stating that we were not at war with the German people; that we were warring with the military autocracy of Germany. Our military intelligence branch of the Army dropped thousands of tons of literature over the battle fields into Germany promising the German people proper treatment. It was a question which would break first, the military or the civil morale of Germany, and it is a disputed question to-day which did break first; but it was our continued promise, and in July, 1918, the commander of the American forces in France repeated the old Prussian treaty, written by Benjamin Franklin and presented by Adams and Jefferson, as to the rights of civilians, and it was ordered read on the battle fields of France by General Pershing. There is a clear, undisputed record in law, in history, in the promises on this floor, and in every conceivable way, that the American Government was acting as custodian.

So far as I am concerned, the amount of money to be returned is of secondary importance, whether it be \$10,000 or 50 per cent or all of it. I shall ask, even if you vote for the return of the \$10,000, to place somewhere in this bill the statement that there will be no ultimate confiscation.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. HAWES. Yes.

Mr. BRITTEN. Answering both the gentlemen a moment ago regarding section 5 of the Berlin treaty, does not the gentleman think it was not a matter of duress so much, after a great war, as it was a matter of confidence in America by the German Government, just as it was confidence in America when she said:

You, America, name the umpire in this Mixed Claims Commission; we do not care to name him, we have confidence in you to do the right thing.

Does not the gentleman think it was a matter of confidence that went into that section 5 and not duress or fear we might not be fair with them?

Mr. HAWES. I agree with the gentleman, and that is an interesting incident. When the question of the amount of these claims was to be ascertained, the United States and Germany agreed upon what was called a Mixed Claims Commission. One member of the Mixed Commission was selected by the United States and the other member was selected by Germany, and Germany waived her right to select a citizen of a neutral country and permitted the appointment of Judge Day. So on this Mixed Claims Commission there are two Americans and one German, and nobody can make me believe that when the Mixed Claims Commission makes its report of awards but that Germany will pay them. She dare not resist. It is the one thing she can not do.

Now, let us examine some of these claims for a moment. The total loss of life on the *Lusitania* was 128. Three or four more lives were lost on the *Essex* and *Susser*. If we allow a total of \$100,000 for each one of these claims, and then put in the one big claim we have for the Pittsburgh Plate Glass Co. of a million and a half, the total American claims would only approximate \$14,000,000.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. HAWES. I will.

Mr. MADDEN. I just want to say to the gentleman in the hearings before the Committee on Appropriations the other day we had the American agent of the commission before us, and he testified they had 10,000 of such claims before the commission and the aggregate amount of the claims on their face amounted to over a billion dollars.

Mr. HAWES. I am glad the gentleman brought out that point. I have stated the two characters of claims—loss of life, loss of property in Belgium—and the total, approximate, is about \$15,000,000. Now, what are the other claims? The other claims are by marine insurance companies. I know that one of the necessary agents of civilization is insurance, and we know that the insurance company will gamble on a man's life; it gambles on the act of God, on the storm, on the tornado, on the wreck at sea; it gambles on sickness, gambles on everything; and it charges a certain interest upon the risk it assumes, and during the war it charged an enormous risk, and I assert that from 75 to 80 per cent of the claims before the Mixed Claims

Commission are for insurance companies who have collected their premiums and made money out of the war.

Mr. WINSLOW. Will the gentleman yield?

Mr. HAWES. I will.

Mr. WINSLOW. Will the gentleman kindly tell the House the extent of inquiry he has made to substantiate the statement as to the nature of the investigation?

Mr. HAWES. Yes, sir; and I will say that when the matter came before our committee one or two witnesses stated the character of claims to be even higher than I have put them, at 90 per cent, and that the chairman of our committee did not summon a single representative of insurance companies to testify, and I asked at the conclusion of the hearings, and before we passed on the bill, that insurance men should be brought in to substantiate or deny the statement I have just made, and no insurance man appeared before our committee. I wanted them to appear because I desired to show that the man who shipped, for instance, a bale of cotton from Texas added to the bale of cotton the cost of insurance. He did not lose money; and if the cargo got through, it was not the man who got the bale of cotton but the man who wore the shirt or the woman who wore the gown who paid for this insurance.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAWES. I would like to have a few minutes more.

Mr. RAYBURN. I yield the gentleman an additional five minutes.

Mr. WINSLOW. Will the gentleman kindly permit me to refresh his memory as to the nature of my question, as a good deal has been said since I asked the question, but the gentleman has not answered the question?

Mr. HAWES. I have answered the best I may. I have stated that one or two witnesses made that statement, and it is in the record and is not to be contradicted.

Mr. WINSLOW. I will not contradict that; but I understood the gentleman to say gentlemen were prepared to assert that the claims were so-and-so, and I asked if he would kindly tell what investigation the gentleman made to verify the statement.

Mr. HAWES. I made an attempt to carry on the investigation, as the Chairman well knows, and I was not assisted by the Chairman to make one.

Mr. WINSLOW. I am not getting into a wrangle over it—

Mr. HAWES. It is a fact.

Mr. WINSLOW. Then the gentleman does not know what investigation he has made to which he referred?

Mr. HAWES. Everything I have stated here is from witnesses that came before our committee, and one of those witnesses made the statement that 90 per cent of all these claims were insurance company claims, and in the matter of Austria I asked the Alien Property Custodian what was the character of those claims and he said insurance company claims against Austria. That is in the record.

Mr. WINSLOW. I think the gentleman wants to be perfectly fair and will bear in mind the statement—

Mr. HAWES. Well—

Mr. WINSLOW. I merely wanted to make sure that we got the facts.

Mr. HAWES. I am speaking from the record, I am bound by the record, and I talk from the record.

Mr. SNYDER. I desire to ask the gentleman a couple of questions, if I may. I have been very much interested in what the gentleman has had to say; he seems to understand the question fully. As I understand this proposition now there are certain properties in the hands of the Alien Property Custodian against which there are certain alien German claims against the custodian and this Government.

Mr. HAWES. Yes.

Mr. SNYDER. This bill proposes to pay back to certain of them \$10,000.

Mr. HAWES. Yes.

Mr. SNYDER. Is that going to affect the validity of any claimant receiving \$10,000 on account or receiving \$10,000 in full?

Mr. HAWES. This is the first time I have heard of an American Congress drawing a distinction between \$5,000 and \$50,000.

Mr. SNYDER. Will the gentleman yield further?

Mr. HAWES. Yes.

Mr. SNYDER. Is any claimant injured in any way by reason of receiving \$10,000 either in full or on account?

Mr. HAWES. I understand the gentleman now.

Mr. SNYDER. I think that is all there is to it. I think there is nothing more involved in it right now than that, unless somebody can show it.

Mr. RAYBURN. This bill does not close it.

Mr. HAWES. Now, I want to use some of my five minutes.

Mr. SNYDER. I can not see that there is anything more in it than that.

Mr. HAWES. I think the gentleman is disposed to be perfectly fair.

Mr. SNYDER. Yes; I like to be fair.

Mr. HAWES. We now have in our possession \$350,000,000 of alien money, and ships to the amount of \$200,000,000 more, making the sum of \$550,000,000, approximately, and we are returning under this bill only \$44,000,000, and we are holding all the balance. The question that I want to see determined is, whether we turn back 10 per cent or 50 per cent, a clean-cut declaration on the part of Congress that it is not going to confiscate the rest of it.

Mr. SNYDER. The gentleman hopes to add that to the measure?

Mr. HAWES. Yes.

Now, I have tried to answer questions. I would like for you to look at this map [indicating]. It is a tragedy. This region marked in red was originally Austria-Hungary. The blue spot is Austria-Hungary to-day. She was a nation of 52,000,000 people. She is now a nation of 6,500,000 people. Out of her territory have been carved six different nations [indicating], and when the question of the return of this property was taken up with the Alien Property Custodian I asked him the question whether he favored the return of that property, and he answered that he did.

Mr. MADDEN. We have no agreement with Austria on this question, have we?

Mr. NEWTON of Minnesota. Yes; identical with the German treaty.

Mr. HAWES. In withholding this property there is no criticism of the Alien Property Custodian; but all of the people who lived in this portion of Serbia, Rumania, Poland, and Czechoslovakia have had their money returned to them by the Alien Property Custodian.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. RAYBURN. Mr. Chairman, I yield to the gentleman two minutes more.

The CHAIRMAN. The gentleman from Missouri is recognized for two minutes more.

Mr. HAWES. But we are holding that little strip of blue, containing 6,500,000 people, responsible for the act of 52,000,000, and it can not be justified on any ground whatever. [Applause.]

The Alien Property Custodian, if you will read his statement, will tell you that there are thousands of claims for loss of life out West that he wants to give back, and there is nothing left of Austria but 2,000,000 people in its capital of Vienna and a region of mountains. The agricultural country is gone. And yet the Great United States, violating all its great principles of 100 years, is holding 6,500,000 people responsible for the conduct of 52,000,000 people.

Gentlemen, I realize that I have not been permitted to discuss this matter with any degree of logic, but it all ultimately gets down to the question of whether the Congress at this time will violate all American theory regarding confiscation of private property; that is, provided that we, as lawyers and businessmen, agree that the ultimate end of security means confiscation. [Applause.]

We are not dealing with the property of the German Republic, but with that of private citizens who accepted our invitation to make their investments here.

There is absolutely nothing in the Knox-Porter resolution which attempts to prescribe the course of Congress. Congress is an independent body now attempting to return the property which it took over as custodian, and to return it to whom? Is it intended that it is to be taken away from the private citizens who invested it here at our invitation and given to the German Government to pay its debts? Have we forgotten our provisions in the Constitution relating to due process of law and opposing the passage of ex post facto laws?

Our duty is one existing between the American Government and the citizens of foreign nations who made their investments here. It is not a relation existing between the American Government and the German Nation but between our Government and the private citizens whom we invited to make investments.

One reading the letter of the Secretary of State will be impressed by two things:

1. The demand that the private property of citizens should be held as security for a public debt.

2. That he places the responsibility solely upon Congress.

No other branch of the Government has taken this position. The opposition comes exclusively from one source—the Secretary of State's office.

Read the testimony of the Alien Property Custodian; the testimony of Mr. Galloway, representing the Attorney General's office, and you will find that with the single and sole exception of Mr. Carr, speaking for Mr. Hughes, this is the one opposition; and if the English language remains understandable, we find that Mr. Knox, who helped draw the treaty, who helped promulgate it, and whose name it bears, is in direct opposition to the views entertained by the present Secretary of State.

There is not a single authority on international law in the United States who agrees with the conclusion of the Secretary of State. There is not an opinion of our Supreme Court—and a number of them are written by John Marshall—which does not disagree with the doctrine of confiscation, because security carried to its logical conclusion means confiscation.

Even in the statement of Mr. Carr, illustrated by the following questions and answers, given very reluctantly, we find that for the first time in American history all of our traditions of the past are to be violated.

I insert the following questions and answers:

Question by Mr. HAWES. Well, I will repeat my question, Mr. Carr, and you can refuse to answer if you want to. I think it is perfectly clear. You are here representing an important branch of the Government, and what you say will have great weight in my determination of this subject. If we hold this property, to be paid either for an enemy's debts or damages, or hold it as security, do we not, for the first time in our history, change an established American policy of international law?

Mr. CARR. Perhaps we may; but if we do, it has been done because Congress has directed that it should be done.

Mr. HAWES. No; Congress has not decided that question, and under the peace resolution, while we have the power to retain it, there is nothing in the treaty that directs us to assume that policy; and I again ask you, if we do take the action intimated by you and hold the property of these nationals, do we not violate all American precedents on that subject?

Mr. CARR. But Congress has directed that the property shall be held temporarily, and until Congress says to the contrary the property has to be held.

Mr. HAWES. Will you decline to answer that question?

Mr. CARR. I think I have in effect answered the question.

Mr. HAWES. Well, I will state it again: Suppose Congress does act and does hold this property as security, or does hold it subject to litigation, then does not Congress for the first time in the history of the American Congress violate an established principle?

Mr. CARR. I do not know whether for the first time exactly in the history of our country or not. Perhaps it is, but—

Mr. HAWES (interposing). Are you not quite sure that it is?

Mr. CARR. It is, so far as I now recall.

Mr. RAYBURN. What is your interpretation, then, of the word "guaranty"—holding this property as a guaranty?

Mr. CARR. I did not use the word "guaranty." I merely used the word "security." The Secretary used the word "security."

Mr. RAYBURN. What is your interpretation of the meaning of "holding this property as security"?

Mr. CARR. As a pledge.

Mr. RAYBURN. What do you mean by the word "pledge"?

Mr. CARR. To be held until the other Governments have satisfied these claims in accordance with the purpose of the Knox resolution.

Mr. RAYBURN. Well, "guaranty" and "pledge" and "security" in a debt are about the same thing, aren't they?

Mr. CARR. They are related to each other very closely.

Private property is respected even in the theater of war itself, where actual combat takes place. There are certain rules of civilized warfare found in our traditions and conventions, and especially in The Hague agreements, providing for the protection of private property. If private property has this protection in the actual scene of war, where necessity seems to be the first rule, how much more important and how much more compelling should it be when it relates to private property of nationals thousands of miles away from the theater of war?

Immovable private property can not under any circumstances be appropriated by an invading belligerent. Should he confiscate and sell private property and buildings, the buyer would acquire no right whatever to the property. All private railroad stock, ships, carts, horses, and so forth, seized for military purposes by an invading belligerent, must be returned at the conclusion of peace or compensation must be paid for them.

Alexander Hamilton made this statement:

Will justice sanction, upon the breaking out of a war, the confiscation of a property which during peace serves to augment the resources and nourish the prosperity of the State? The property of a foreigner placed in another country by permission of its laws must justly be regarded as a deposit of which the society is the trustee. How can it be reconciled with the idea of a trust to take the property from its owner when he has personally given no cause for its deprivation?

President Taft, in his annual message of 1900, in considering whether American enterprise should be encouraged in a particular war, said:

The Government should give full weight to the fact whether or not the government of the country in question is in its administration and in its diplomacy faithful to the principles of moderation, comity, equity, and justice, upon which alone depend international credit in diplomacy, as well as in finance.

In the hearings before our committee there will not be found a single witness, excepting the representative of the State De-

partment, who is demanding the holding of this property as a matter of security.

The position of the Alien Property Custodian is described in these questions and answers:

Mr. HAWES. And I understand, Mr. Miller, that you do not believe the United States Government should take the position that property seized by the Alien Property Custodian from private individuals should be used by the American Government in the enforcement of its claims against Germany?

Mr. MILLER. I have stated here to-day a number of times that personally I would be opposed to the confiscation of private property to pay claims against the enemy government.

Mr. Herman J. Galloway, representative of the Attorney General's office:

Mr. HAWES. Upon the successful prosecution of the suit to whom will the property be returned?

Mr. GALLOWAY. Our authority is that the property should be put back where Congress intended it should be, namely, in the custody of the Alien Property Custodian, to let Congress dispose of it as they see fit. That was the intention of the original law, and that is the way we look at it.

Mr. HAWES. So that the object of the suit, then, is to take from this Chemical Foundation these patents and restore them to the possession of the Alien Property Custodian?

Mr. GALLOWAY. That is right.

Mr. HAWES. For him to decide, subject to enactment by Congress.

Mr. GALLOWAY. Well, I don't think he has any decision as to what should be done with them. I think Congress is the sole judge of that. The law was intended according to my theory of the original law, and that must determine what shall be done.

Mr. HAWES. And it is your opinion that all of these patents ultimately are to be restored to the original German nationals who own them, is it not?

Mr. GALLOWAY. I should not like to express my official opinion on that, but my personal opinion is that it is contrary to enlightened policy of international law to confiscate private property, of course.

The following questions and answers made by the Alien Property Custodian throw the calcium light upon the question of property now held by him belonging to the Austrian-Hungarian Republic:

Mr. HAWES. So the status of the Austria-Hungary portion of this bill is this: In the first place, they did not seize the property of Americans during the war, and, in the second place, what was Austria-Hungary is now six different republics or monarchies; and we are trying to hold the Austrian Government responsible, in an indirect way, for the conduct of five other governments over which they have no control.

Mr. MILLER. Yes, sir. That is the situation, and I have recommended to the chairman, in response to his letters to me, as chairman, action on the Austrian-Hungarian property as I have outlined.

Mr. HAWES. And you would recommend an amendment in this bill which would release all property of the former Empire of Austria-Hungary that is held?

Mr. MILLER. I do; and a number of those cases are pathetic cases. We hold hundreds of death benefits which we have collected on account of their nationals who were killed out in the steel mills and in the mines of the West, and we would like to give that back to them.

Mr. HAWES. So we are violating the traditions of international law, the opinion of Marshall and the dictates of humanity and all spirit of equity in holding these claims?

Mr. MILLER. May I put in there so anyone reading this testimony will understand my position? I am willing to recommend this, but, on the other hand, if the State Department comes to the hearings and through their representatives say that there are claims against Austria, I do not want to be criticized for suggesting this, but I have done it personally.

Mr. HAWES. As to the character of those claims against the Austrian Government, are not nearly all of these made by insurance companies?

Mr. MILLER. I think they are, sir; but I am not certain.

Former Austria-Hungary comprised an area of 261,107 square miles and had a population of about 52,000,000 people.

The present Republic of Austria has an area of only 32,400 square miles and a population of about 6,500,000 people.

These questions and answer prove conclusively the following things:

1. That Austria-Hungary did not seize any American property during the war.
2. That Austria-Hungary has been reduced from a population of 52,000,000 to 6,500,000, and that all property formerly held by the Alien Property Custodian of those people composing the 45,500,000 taken from the whole empire of Austria-Hungary has been returned.
3. That if this property is held, it is holding 6,500,000 people responsible for the acts committed by 52,000,000 people.
4. That the original sum seized from the Empire of Austria-Hungary was approximately \$30,000,000; that \$20,000,000 of this has been returned to the citizens of the new States carved out of the old empire; and that \$10,000,000 is still retained by the custodian.
5. That there are practically no American claims against Austria-Hungary excepting those of insurance companies, and these are in dispute.

If American precedent, if the opinion of our statesmen, if our national policy and all appeal against the brutal, savage, and medieval doctrine of confiscation apply to Germany, how much stronger are the equities and justice in the claim for the restoration of the Austria-Hungarian property?

If Congress announces the new doctrine of holding private property for security for public debt, what is to prevent any other nation from adopting the same policy, and even in time of peace will some one not arise and urge that we take over the private property of French citizens in this country for the purpose of liquidating French obligations, that we shall take over the private property of Italians in this country to liquidate the Italian obligations, take over the private property of the English in this country to liquidate the English obligations?

Once we start a new precedent we do not know where it will stop. We must remember that this property was not seized on the battle field but as the private investment of the peaceful citizens in a country which had invited them to invest.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. NEWTON of Minnesota. I yield the five minutes that remain to me to the gentleman from Massachusetts [Mr. WINSLOW].

Mr. WINSLOW. Mr. Chairman, how many minutes will that give me?

The CHAIRMAN. The gentleman practically has 51 minutes, including the five minutes yielded to him by the gentleman from Minnesota [Mr. NEWTON].

Mr. WINSLOW. I will yield one minute to the gentleman from Minnesota [Mr. STEENERSON].

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. STEENERSON. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The extension of remarks referred to is here printed in full as follows:

Mr. STEENERSON. Mr. Speaker, the act "to authorize the improvement of Red Lake and Red Lake River, in the State of Minnesota, for navigation, drainage, and flood-control purposes," authorized the Red Lake conservancy district of the State of Minnesota to construct the improvements authorized to deepen, widen, and straighten the Red Lake River and tributaries thereof, and specified that the work should be of a nature—

indicated and outlined in the report of the Chief of Engineers to the Secretary of War on March 28, 1919. (House Document 61, Sixty-sixth Congress, first session.)

The act further provided that unless the drainage and conservancy district, to which authority to do the work was granted, should within—

two years from and after the date of the approval of this act submit to the Secretary of War and the Secretary of the Interior, respectively, satisfactory detailed plans and agreements covering the works authorized to be constructed hereby, then, and in that event, all rights hereunder shall cease and terminate.

It is greatly to be regretted that the drainage conservancy district has failed to comply with the provisions of this act. This is indicated by the decision of the district court of the State of Minnesota, which is printed herewith, and also by the letter of the Secretary of the Interior. This project concerns chiefly the Red Lake Indian Reservation, and consequently legislation in regard thereto, in order to receive favorable consideration of Congress, should have his approval. It is indicated by the Secretary that he does not approve of an extension of time until the plans have been altered to comply with the purposes of the act of Congress, but that at any time in the future when there is a prospect that the work can be done as originally planned the extension can be granted.

It is now more than 15 years since I first secured legislation in Congress looking toward the initiation and completion of this project, which work culminated in the act of February 21, 1921, above quoted. It is now up to the State authorities and the drainage conservancy district to show that they are prepared in good faith to carry out in spirit and intent the act of Congress above cited, and when they are the extension of time required can no doubt be obtained.

COURT DENIES PETITION TO RED LAKE PROJECT—JUDGES GRINDELAND AND STANTON ISSUE ORDER DENYING PETITION IN SAID MATTER AND STATE REASONS THEREFOR.

STATE OF MINNESOTA,
County of Pennington:

In district court, fourteenth judicial district.

In re petition of C. O. Elg et al. for the improvement of the channel of the Red Lake River, in the State of Minnesota, by deepening, straightening, and widening the same, regulating the flow thereof, and for the improvement of the Red Lake in said State by the construction of a dam at the outlet thereof into Red Lake River and the construction of such improvements as may be necessary to secure the control of the waters of said Red Lake River and Red Lake and the tributaries.

ORDER DENYING SAID PETITION.

Hearing having been duly had at the City of Thief River Falls, in said county, before the undersigned, Andrew Grindeland, one of the judges of the fourteenth judicial district, and C. W. Stanton, one of the judges of the fifteenth judicial district, both sitting, pursuant to notice duly given as required by law, upon the petition of the board of directors of the Red Lake drainage and conservancy district, filed in the above-entitled proceeding, at which said hearing Messrs. C. E. Boughton, Julius J. Olson, and E. E. McDonald appeared as attorneys for the said petitioner, the Red Lake Drainage and Conservancy Board; Mr. Daniel B. Henderson appeared as attorney for the Red Lake Band of Chippewa Indians; and Messrs. William J. Brown, Theodore Quale, and O. A. Naplin appeared as attorneys for a large number of objectors. And careful consideration having been given the reports of the engineers and viewers filed herein, the evidence submitted, the arguments of counsel and all of the files and the whole record herein, the court finds as follows:

FACTS.

1. That the actual benefits resulting from the proposed improvements will not be greater than the cost of the construction thereof and damages.

2. That the actual benefits, as shown by the report of the viewers, would impose a burdensome and unwarranted assessment upon many of the tracts of land involved.

From the facts as hereinbefore recited, and for the reasons stated in the memorandum appended hereto, which it hereby made a part hereof, the court finds as conclusions of law—

That the petition herein should be denied and this proceeding be dismissed.

It is so ordered.

Stay of 30 days ordered.

Dated February 10, 1923.

By the court.

(Signed)

(Signed)

A. GRINDELAND,

C. W. STANTON,

District Judges.

MEMORANDUM.

It is with no little regret that we make the foregoing order of dismissal of this proceeding. The public improvement sought is vastly important, and much effort and a considerable expenditure of money has been devoted to preliminary work and in providing the means, through both Federal and State legislation, to make it possible to carry out the project.

It is our opinion, though, that the conclusion is inevitable from the record now before us that the establishment of the project can not justly be made in the manner now contemplated. It throws the burden of the entire cost upon the lands included in the viewers' report, while the conceded facts are that a considerable part of the entire assessment is for benefits which are not special to the lands assessed, but general to the large area tributary to Red Lake and Red Lake River, and that water-power interests and certain municipalities are to be specially benefited; and, further, that certain lands in the Clearwater River watershed, now subject to overflow from the Red Lake River and not included in the report, will be specially benefited.

In this connection it is pertinent and interesting to refer to House Document No. 61, Sixty-sixth Congress, first session, which forms a part of the petition for this project. This document includes the report of the United States Board of Engineers for Rivers and Harbors, approved by the War Department, from which it appears that the estimated cost of this project was \$779,300, and the recommendation is made that the apportionment of cost among the "interests concerned" be as follows:

	Im- prove- ment.	Mainte- nance and opera- tion.
Water powers.....	\$240,000	\$3,700
Indian lands.....	235,800	3,650
Lands outside Indian reservation.....	248,500	3,850
Municipal water supply.....	39,000	600
Federal Government for navigation.....	15,000	300
Total.....	779,300	12,000

And the report of George W. Freeman, United States district engineer, which also forms a part of this document, states:

"An equitable apportionment would be based upon the proportionate benefits to be received by the various interests. In paragraph 7 it has been shown that if the four developed water powers could utilize the whole of the increased low-water flow they would benefit by about \$12,000 per month during months of natural low water. It would appear from inspection of the discharge record that such a saving would result in at least an average of three months per year, making a saving of \$36,000 per year. This would be equivalent to a return of 15 per cent annually on an investment of \$240,000, a return sufficient to pay off the bonds, interest on bonds, dividends, and an annual proportionate allotment toward maintenance and operation of the work of improvement."

"Municipal water supply would receive benefits at Crookston and Grand Forks. As a tentative measure of benefit, take the 26,000 inhabitants as forming 6,500 families and assess their benefit at 10 cents per family per month for three ordinary low-water months per year, giving a charge of \$1,950 per year, which for the 20 years the land-assessment bonds would run would produce \$39,000 for the project."

At the hearing at which this petitioner, the Red Lake Drainage and Conservancy District was created, which was attended by several hundred of the settlers whose lands are now sought to be assessed for the whole cost of this project, it was stated and distinctly understood that the apportionment of the cost would be approximately as set forth in House Document No. 61. Now, however, the plan is to make no assessments against water powers, either developed or undeveloped, but instead to rely upon exacting rentals from the water-power interests for the use of water in the future. The trouble with this plan is that, under the law (sec. 15, chap. 13, special session laws of 1919) such rentals can not be applied on the assessments against the lands or in payment of the bonds. In other words, under the viewers' report the water-power interests are not assessed, but the assessment thereof is to be left to the judgment of the board of directors in the future. The court would have no objection to allowing the board to exercise this judgment, knowing that, with its present members, such power would be properly exercised. But conceding that after the improvement is made the water-power interests could and would be assessed, under the law as it now stands the money would go into the general treasury of the district. There is nothing in the law by which the person who paid the original amount could be reimbursed. True, remedial legislation could be enacted to that effect, but the court must deal with the situation as it now exists and not with what may happen in the future. If such proper remedial legislation is enacted, there is nothing to prevent the board from again bringing this matter before the court.

It is significant, too, that the fixing of the water levels of Red Lake is made with apparent disregard of the lands bordering the lake and its tributaries and wholly in the interests of water-power development. True, these lands are not reported as lands benefited, from which omis-

sion it can pretty safely be assumed that they are lands to be damaged, but no provision is suggested for the protection of the vested rights of these landowners.

It is a conspicuous fact that nearly all of the resident landowners whose lands are included in the viewers' report, except those residents in the town of Hickory and vicinity, are opposing the establishment of this project and many of them took the witness stand and made vigorous protest. Many of them are now burdened with ditch assessments and other indebtedness and are in bad financial condition. They ought, in justice, to have the controlling voice in saying whether the actual benefits to their lands to result from this project are such as to justify the imposition of its cost upon them. It is idle talk to say that only the interest will be exacted for the first five years. The fact remains that the total assessment will be a lien on the land until both the principal and accrued interest are paid.

This project, if ever constructed, must be fairly and equitably financed, requiring every interest concerned and benefited to come forth with its proportionate share. To require one of these interests to provide the cash for the enterprise and then await the volition of the others or the uncertainty of future legislative enactment for reimbursement would be as absurd and ridiculous as it is illegal and unjust.

To summarize briefly, it must be conceded:

1. That a large part of the assessment is for benefits which are not special to the lands assessed, but general to the community. See in re Judicial Ditch No. 2, Itasca County (139 Minn. 332).

2. That the majority of the resident-owners of the land assessed are opposed to the project.

3. That the assessments of benefits and damages are not fair and equitable.

4. That to require the farmers and other landowners to bear the total cost and leave water-power interests and others exempt from assessment is to take the property of one for the benefit of another.

5. That in the present period of agricultural depression and high taxation it would be not only unjust but against public policy and interest to add to the financial burdens of the landowners unless the reasons for doing so are strong and convincing, besides clearly equitable and legal.

6. That the law under which this proceeding is authorized (ch. 13, Special Session Laws, 1919) should be amended so as to provide: (1) For the application of the revenue from the use of water to the payment of bonds issued for the improvement made and refundment to the persons who have paid assessments; (2) for the limitation of the authority to levy a sum greater than 10 per cent in excess of the engineer's estimate of the cost of any project; and (3) for the issuance of bonds to run 30 years or more, all substantially as recommended by resolutions adopted by the board of directors of the Red Lake drainage and conservancy district on December 29, 1922.

For these reasons, and others disclosed by the record, we feel impelled to deny the petition.

Dated February 10, 1923.

ANDREW GRINDELAND,
C. W. STANTON,
District Judges.

DEPARTMENT OF THE INTERIOR,
Washington, February 10, 1923.

Hon. H. STEENERSON,
House of Representatives.

MY DEAR MR. STEENERSON: Further reference is made to your communication of January 16, 1923, inclosing telegram addressed to you by Mr. C. G. Selvig, president of the Red Lake Drainage and Conservancy Board, of Crookston, Minn., relative to having section 5 of an act approved February 21, 1921, entitled "An act to authorize the improvement of Red Lake and Red Lake River, in the State of Minnesota, for navigation, drainage, and flood-control purposes," amended to authorize the drainage and conservancy district to submit to the Secretary of War and the Secretary of the Interior, respectively, satisfactory detailed plans and agreements covering the works authorized to be constructed within a period of three years from the date of approval of said act instead of two years as now provided by law.

In view of information that I have and surrounding circumstances concerning conditions, I do not deem it advisable at this time to recommend the enactment of legislation as requested. It would seem the better plan would be to await final action by the State court and by the State legislature to amend the State laws as referred to in Mr. Selvig's telegram; and then should it be deemed advisable to proceed with the drainage scheme, the necessary additional legislation could, no doubt, be obtained.

Sincerely,

ALBERT B. FALL, Secretary.

THIEF RIVER FALLS, MINN., January 20, 1923.

Hon. HALVOR STEENERSON,
Washington, D. C.

DEAR SIR: I have to-day received your favor of the 16th instant regarding Red Lake drainage project and inclosing copy of telegram from Mr. Selvig, of Crookston.

As you are perhaps aware, this conservancy district was originally organized for the purpose of improving Red Lake River in accordance with Document 61 of the Sixty-sixth Congress, which document provided for payment of practically one-third of the cost by the water powers, one-third by the farm lands, and one-third by the Indian lands on the reservation. The conservancy board has apparently made a muddle of the whole proposition and brought before the court for hearing a plan where the whole cost is assessed as benefits against the farm lands and the Indian lands, and whereby it will become necessary that bonds be issued on these assessments for the construction of the whole project, the farmers' holdings and the Indian lands thereby financing the whole original cost. A visionary plan was outlined by Meyers, whereby in the future the water-power companies were to be compelled to pay rentals for the improved use of the water, but no provision is made for any reduction of the assessment of any farmer because of such expected payment by the water-power company.

Eight townships in Pennington County and a portion of a township in Marshall County are assessed for benefits, the assessments being as high as \$8 an acre. Outside of a small segregated bunch down in the town of Hickory, in what is alleged to be the old Hickory swamp, the opposition to the project is absolutely unanimous, except for one party, so far as we are able to discover. The seven towns in Pennington County are fighting the proposition, as townships and every resident of the seven towns in opposition, and of the one town in

Marshall County, are unanimous except one, and are unalterable in their opposition to the project.

I represent all the opposition, and we have had our hearing in court; and it does not seem to the writer even remotely possible that the court will establish the project. I am now advised that the decision of the court will be made early in February, and would have been made before this had it not been for the fact that there was great delay in presenting the briefs of petitioner to the court. The petitioner is the Red Lake Conservancy Board.

The writer did have a talk with Senator Cliff, wherein Senator Cliff asked the writer of his opinion if any adjustment could be made, and I told Mr. Cliff that I would have to consult the committee who represent the farmers and would express no opinion for them as to the possibility of a compromise, and Senator Cliff now and has at all times understood the matter that way, and will so state. I have consulted with the committee in regard to the matter, and they will listen to no compromise. One reason for this is that they advised me that they have lost all confidence in the conservancy board and do not desire any further proceedings to be taken by this board. I am writing Senator Cliff to that effect to-day.

Concerning the extension of the enabling act in Congress by further congressional legislation at this time is a matter of indifference to these people unless it will result in further activity by the conservancy board. In such case they would be strictly opposed to any such legislation.

Mr. Henderson has a copy of my brief in this matter, which outlines our views in regard to the whole proceeding, and I am sure that Mr. Henderson would be glad to send you his copy if you desire. I have not an available copy at this time, but will gladly supply you one later if you desire it.

I thank you very much for your courtesy in writing me in regard to the matter, and would further heartily thank you for information as to further activities of the conservancy board or others in regard to the matter.

Yours very truly,

WM. J. BROWN.

FIRST NATIONAL BANK BUILDING,
THIEF RIVER FALLS, MINN.,

February 17, 1923.

Hon. HALVOR STEENERSON, M. C.,
Washington, D. C.

DEAR SIR: You are doubtless advised before this time that the court decided against the establishment of the Red Lake drainage project. A perusal of the opinion leads one to the belief that it is the acts of the conservancy board that were condemned by the court's decision. In other words, while the court expressed confidence in the personnel of the conservancy board, yet the opinion itself constitutes an indictment for poor management and bad judgment that should lead the chairman of the conservancy board to resign his office.

The proposition of the board to load this whole cost upon the farmers and the Indian lands was so arbitrarily unjust that we felt impelled to use every method of defeating it. Now, that this proposition is out of the way, we again recognize the worth of the proposition for drainage if rightly handled, and would like to have matters in as favorable a condition as possible, to the end that when better times come, the project can be again initiated if those interested so desire.

Thanking you very much for your extreme courtesy in this matter, I am,

Yours very truly,

WM. J. BROWN.

Mr. WINSLOW. Mr. Chairman, I yield six minutes to the gentleman from California [Mr. LEA].

The CHAIRMAN. The gentleman from California is recognized for six minutes.

Mr. LEA of California. Mr. Chairman, I am in favor of the passage of this bill as it is written. I distinguish between our right and the question of what we ought to do. As I view the situation, there is no question about the right of the United States to apply this property to the satisfaction of claims of American citizens against Germany. We have that right by international law. It is true the exercise of that right has been denounced as immoral for several centuries. But as a legal right under international law America can lawfully confiscate the property in the custody of the Alien Property Custodian and apply it to the satisfaction of American claims. Regardless of international law that can be done, because that right is given by the terms of the treaty, by the provisions of the treaty of Versailles, embodied in the treaty of Berlin, which specifically gives us that right.

But I am entirely willing to meet this question from the broad standpoint of what is right, what is moral, and what is the diplomatic and appropriate thing for this Government to do. The treaty of Berlin gives us the right to establish the clearing-house system for the settlement of these claims. There is abundant authority for the clearing-house system. It was followed during the Revolutionary War. It was followed with France in 1831. It was applied in the settlement of the Alabama claims and in the settlements that followed the war with Spain. Under the clearing-house system Germany has agreed to compensate her nationals for their claims against this country, and she has conceded that the property now in the hands of our Alien Property Custodian shall be applied in satisfaction of the claims of American citizens against Germany.

For four years this property has been held under solemn agreement for this purpose, with a provision that it shall not be turned back until "provision" has been made for the satisfaction of American claims. Suppose we turn all this property back, what have we? It is a proposal that after having held this property for four years to secure the settlement of Amer-

ican claims we should turn it back without even having made an agreement on a plan by which American citizens are to be indemnified. It would be a course that could be explained only on the theory of incompetence, indifference to the rights of our own citizens who suffered outrageous indignities at the hands of Germany, or of trifling with the rights of aliens whose property we hold. We can never expect other nations to regard and respect the rights of American citizens unless our Government is jealous of those rights; quick and sure to defend those rights and slow to sacrifice or yield them.

What is international law and what determines our conduct toward other nationals? It is the rule of international conduct based on comity, on the practice of nations and agreements called treaties. International duties are based upon reciprocal rights mutually recognized. The rights we grant to others we claim for our own citizens.

We do not propose an eye for an eye and a tooth for a tooth as has been declared here. But if we turn this property back without any provision being agreed upon for the satisfaction of American claims it will be a case of Uncle Sam turning the other cheek.

So I believe that the diplomatic thing to do is to retain the bulk of this property until satisfaction or proper provision has been made for the settlement of American claims. That does not mean that we will confiscate this property. As to the property we do not now return, we simply maintain the existing status. If there be any offense it is only the continuation of an offense already committed. I am willing to concede that when we took the property of these aliens we assumed an obligation to them that is not fully discharged by turning them over to Germany, a bankrupt debtor. And for the purpose of this argument, I am willing to concede that we should not confiscate this property. But as a diplomatic proposition, and as insisting upon the proper treatment of our own nationals, I maintain that it is perfectly right and consistent with the practice of nations in their relations, so far as modern civilization has been known, for America to insist that before we surrender this security our own citizens shall be provided for. [Applause.] We may justly say to Germany, "We hold this property of your citizens. You have agreed we may take it and apply it to the settlement of American claims. We do not want to do that. We want to return it to your citizens at the earliest possible date, but before we do that we want you to provide for the settlement of the claims of our people." Can Germany complain at that?

When we return as high as \$10,000 of each trust, as this bill proposes, we settle in full, 93 per cent of all the trusts in number; we ameliorate the hardships of retaining this property, and at the same time we will not substantially impair any purpose for which it is held.

Mr. DAVIS of Tennessee. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAYBURN. I yield 10 minutes to the gentleman from Wisconsin [Mr. COOPER].

Mr. COOPER of Wisconsin. Mr. Chairman, I have here a work of authority on international law. It is the Wilson and Tucker book—George Grafton Wilson, professor of international law in Harvard University, and George Fox Tucker, late reporter of decisions of the Supreme Judicial Court of Massachusetts, a volume used in Georgetown University and in many other of the great schools of the country as a textbook. I read from page 249:

Many modern treaties provide that in case of war between the parties to the treaties subjects of each State may remain in the other, "and shall be respected and maintained in the full and undisturbed enjoyment of their personal liberty and property so long as they conduct themselves peaceably and properly and commit no offense against the laws." The most recent practice has been to exempt personal property of the subject of one belligerent State from all molestation, even though it was within the territory of the other at the outbreak of war. Of course, such property is liable to the taxes, etc., imposed upon others not enemy subjects.

I now invite attention to the rules of war issued by our own War Department:

Instructions for the government of the Armies of the United States in the field.

War Department, Adjutant General's office, April 24, 1863.

Here is section 38:

Private property, unless forfeited by crimes or by offenses of the owner, can be seized only by way of military necessity for the support or other benefit of the Army or of the United States.

If the owner has not fled, the commanding officer shall cause receipt to be given, which may serve the spoliated owner to obtain indemnity.

Under these rules of war, laid down by our own War Department, there can be no confiscation of private property.

In this book is also a copy of the convention for the pacific settlement of international disputes known as The Hague Con-

vention of 1907. An annex to that convention is entitled "Regulations respecting the laws and customs of war on land."

One of these regulations is:

ART. 46. * * * Private property can not be confiscated.

These statements of the law are in exact accord with the views of Senator Knox. Now, the gentleman from Illinois [Mr. CHINDBLOM], with something of criticism in his tone, asked the gentleman from Missouri [Mr. HAWES] if Secretary Knox meant what he wrote or if he would have said something different had he been Secretary of State instead of a United States Senator.

Mr. CHINDBLOM. That is not what I said.

Mr. COOPER of Wisconsin. That is precisely what the gentleman intimated.

Mr. CHINDBLOM. That is not what I said.

Mr. COOPER of Wisconsin. The gentleman intimated that there might have been a different expression of opinion.

Mr. CHINDBLOM. I asked the gentleman if he knew of any act of Secretary Knox while he was Secretary of State. If he did, I wanted to know it as a matter of information.

Mr. COOPER of Wisconsin. And the gentleman from Illinois also asked the gentleman from Missouri [Mr. HAWES] more than once if he knew whether if Knox had then been Secretary of State he would have said what he did.

Mr. CHINDBLOM. I did not say that, sir.

Mr. COOPER of Wisconsin. Then I entirely misunderstood the gentleman from Illinois.

Mr. FIELDS. The gentleman said something very similar to it.

Mr. COOPER of Wisconsin. Yes; something very similar, half a dozen gentlemen over here say.

Senator Knox wrote in his letter to Professor Borchard, of Yale University:

I am in entire sympathy with your views relative to the seizure of German private property during the war. I have expressed on the floor of the Senate the opinion that in order to follow our traditions, and be decent, this property should be returned.

Our traditions! What traditions? The traditions of the Senate? No; not at all; but the traditions of the National Government—the great traditions of the State Department, of which he had been an illustrious Secretary. Our traditions and common decency, said the Senator and former great Secretary of State, demand that this property be returned. He declared also in the same letter that respecting the seized property, our only proper function was to conserve it during the period of hostilities and retain possession of it only until the adjustment of the terms of treaty of peace with Germany.

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. COOPER of Wisconsin. I can not yield, I regret, as I have only 10 minutes. I have here a letter from a friend in my district.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. COOPER of Wisconsin. I can not unless I can get my time extended. Here is a letter, dated January 15 last, from one of my constituents. Let me read a part of it:

The custodian has had investment interests and real estate turned over to him in the Fannie Kords matter aggregating nearly \$37,000.

Personally it would please me to have everything returned and the office of Alien Property Custodian abolished, but I suppose there are powerful influences who bought German patents from the custodian who would fight that desperately.

The reason Mrs. Kords is still in Germany is that she has no money to buy transportation and the necessary clothing. I have advanced her nearly \$4,000, which she used in paying debts contracted during the war and living expenses since 1918; but there is a limit to what I can do.

Let no person rise here and tell me that you and I have the right—not the power, but in justice and honor, the right—by our votes, to give to any man the authority to hold the property of that aged widow, a refined, delightful woman, as security for something which a government may owe to somebody else.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. COOPER of Wisconsin. Yes.

Mr. GRAHAM of Illinois. Is this woman an American citizen?

Mr. COOPER of Wisconsin. No.

Mr. GRAHAM of Illinois. Had she resided in the United States?

Mr. COOPER of Wisconsin. Yes. I knew her.

Mr. GRAHAM of Illinois. She went to Germany and was detained there?

Mr. COOPER of Wisconsin. She was caught there by the war and could not come to the United States.

Mr. GRAHAM of Illinois. Well, she will get \$10,000, and she will not only get \$10,000 but the income on all the rest.

Mr. COOPER of Wisconsin. That makes no difference at all. You have no right to confiscate any part of that woman's property under the rules which for 100 years have governed civilized warfare.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COOPER of Wisconsin. I would like to have a minute more.

Mr. RAYBURN. I yield to the gentleman one minute.

Mr. COOPER of Wisconsin. What is now being done here is in accord with what has been before attempted. The original peace resolution—I hold in my hand a copy of it—after reciting that peace had come between the United States and Germany, provided, among other things, that "all fines, forfeitures, penalties, seizures, and sales imposed or made by the United States of America are hereby ratified, confirmed, and maintained."

That was a deliberate attempt to ratify the sales made by the Alien Property Custodian, A. Mitchell Palmer, when he disposed of the German patents, sales in which, as President Harding has declared, the inadequacy of price was so gross as to constitute a badge of fraud. That resolution (H. J. Res. 126) was introduced in the House on May 20, 1921.

Mr. ELLIS. Was it passed?

Mr. COOPER of Wisconsin. No; but it was introduced by the chairman of the Committee on Foreign Affairs after consultation with the present Alien Property Custodian, and plainly shows the custodian's attitude toward the property.

Under leave granted I desire to add a word that I was by lack of time prevented from saying to gentlemen here who demand that this Government do everything that it has the power to do in accordance with the letter of the law—gentlemen who insist on the letter of the bond.

These gentlemen this afternoon loudly cheered at the conclusion of the reading of Washington's Farewell Address; I wish now to invite their especial attention to a passage in that immortal document which may have escaped their notice:

It will be worthy of a free, enlightened, and at no distant period a great nation to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt that in the course of time and things the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it?

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. WINSLOW. Mr. Chairman, I yield eight minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman and gentlemen of the committee, there is little difference between us regarding the law. The United States has always stood for justice with regard to this class of controversies. The United States has always stood and insisted that when private property of aliens was taken in war that it should be returned or its value accounted for. The United States has often gone further than that. As the gentleman from Pennsylvania stated, very early in the history of our country we tried to apply that proposition to the taking of property upon the seas as well as on the land. We stand committed to that doctrine. We have never violated it throughout our entire international history. We stand for it to-day.

Now, what is the situation that we have confronting us now? During the war with Germany, property belonging to German citizens in our territory was taken over by the United States Government. Gentlemen now say that it was wrongfully taken over. Gentlemen now say that we had no right to do it, and, strange to say, the gentlemen who most loudly proclaim that doctrine belong to the party of the administration that took over the property. It was not the present administration that was responsible for taking the property; it was the last administration.

This present administration is trying to do its very best to see that no wrong shall come because of that taking over, if any wrong was done, of the last administration, and I ask you gentlemen to remember this fact: That if wrong was done by the last administration, either in taking over the property, in handling it, or disposing of it, this administration is called upon to right the wrong and make restitution, because if property taken over by the last administration was sold for a price less than its value, then this administration will have to account for it, for the reason that it is not what the property sells for, it is what the property absolutely is worth that the National Government will be called upon to account for when it comes to final settlement.

What has this administration done with regard to the matter? The United States and its nationals have claims against the German Government for probably over \$100,000,000. The German Government and German nationals have claims

against the United States amounting now to about \$350,000,000. We say to Germany, "Let us settle these claims in an amicable way," and we enter into negotiations with Germany, and a commission is appointed for the settlement and ascertainment of those claims. Is not that a good thing to do? Do gentlemen not agree to that? Within three years after the war had closed, not at a time when we could impose or sought to impose a treaty upon Germany, we made a declaration with regard to peace between this country and Germany, and entered into negotiations with Germany asking that the settlement should be deferred until there could be an adjustment of claims on both sides, and that the property should be retained until it could be settled on both sides. Was that a wrong thing to do? Gentlemen say that we are now holding this property and by that means are confiscating it. No; very far from that. By arranging to pay the claims, by entering into an agreement as to a means of paying them, we acknowledge our liability, not disclaim it. To adjust conflicting claims is an arrangement to pay them, not to repudiate them.

It is a reasonable thing, it is a fair thing. It is international law, and it will be respected in any international court. An arrangement has been made that pending ascertainment and adjustment of conflicting claims the United States shall hold the property until the claims of the United States and its nationals shall be ascertained and settled. That is not confiscation. And now we go further; we voluntarily say by this legislation that as we have more than enough to satisfy German claims we will relinquish a fair surplus to claimants. We offer to pay all claims up to \$10,000. That will pay in full over 90 per cent of the claims, about 27,000 of the 30,000 filed. Gentlemen complain of that. They declare that by not paying all we declare a policy of confiscation. They declare that making a payment on 90 per cent of the claims in full and of \$10,000 on all others is repudiation. They declare that a contract that an adjustment of conflicting claims shall be made is bad policy and that with German property in our hands which Germany agrees shall be held until our claims are fully paid we should surrender it all and trust the chance that a bankrupt and dismembered government may some time pay our claims. That is unreasonable. It is foolish. It is unjust. We are by this legislation not only doing the fair thing, we are acting generously. No man of any party can justify a vote against this bill.

Mr. RAYBURN. Mr. Chairman, I yield one minute to the gentleman from Texas [Mr. HARDY].

Mr. HARDY of Texas. Mr. Chairman, I want that one minute to say that the whole argument of the gentleman from Iowa [Mr. TOWNER] was based on the statement that on this side we had asserted that the original taking of this property was unlawful or wrong. I have not heard a single soul make that statement.

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. I am very glad, indeed, that the gentleman from Texas corrected the statement of the gentleman from Iowa with reference to the attitude of the minority upon the question of the original right of our Government to seize this alien property. We admit that the Government had the right to do it. We admit that it was proper for the Government to seize this property, but upon what theory was it seized? Surely not to dispossess the owners of the title to their property. It was seized upon well-recognized principles of international law, in order that the property itself during the conflict might not be used by alien enemies, or its custody withdrawn from our territory to be used by the enemy elsewhere. It was seized upon that principle, and when it was seized what position legally did the Government of the United States assume with respect to it? Purely that of a custodian or a trustee.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. No; I can not yield. I have only a limited time.

It was taken over also in order to protect it against waste and seizure, possibly, by those who had no right to take it in the absence of its owner. So that when it was seized the Government of the United States in its legal aspect assumed the position of a trustee to guarantee that it should be conserved and not destroyed for the period of the war. The war has been over for a number of years. This trustee, this Government of ours, still has possession of the property, but I have not heard any advocate of this bill so bold as to make the argument here that when we seized the property we acquired title to it and, therefore, the right to confiscate its use. We should look at this problem from the broad aspect of what is the proper moral, as well as the legal, disposition to make of it.

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield to me?

Mr. BANKHEAD. Yes.

Mr. KELLEY of Michigan. The gentleman from Pennsylvania [Doctor TEMPLE] asserted a doctrine which I think would appeal to the gentleman from Alabama, in that the German Government had agreed that this arrangement should be made. Does the gentleman from Alabama think that the German Government had no authority to make such an arrangement with the United States with respect to this property?

Mr. BANKHEAD. I think it had the right to make an arrangement with the United States undoubtedly.

Mr. KELLEY of Michigan. If it had, then it becomes responsible to its own citizens for the claim.

Mr. BANKHEAD. But because the now existing Government of Germany made an arrangement with the Government of the United States in a treaty of peace, it could not, either by international law or in good conscience or morals, thereby deprive the owners of the property of the inherent right they would have as owners in the property.

Mr. KELLEY of Michigan. Without its becoming liable to those owners.

Mr. BANKHEAD. In no event, as I look at the proposition.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. DAVIS of Tennessee. I call attention to the fact that in order that article 5 of the Berlin treaty may prevail against German nationals it is necessary to treat it as retroactive, because it changes previous treaties and the previous status of nationals and their property.

Mr. BANKHEAD. Of course. What disposition should we make of this property? This is not a partisan question, although an effort has been made to criticize the former administration.

The question is, What in equity and in good conscience as a matter of practical statesmanship should we do with this German property? Why, I asked the gentleman in charge of this bill, the gentleman from Minnesota [Mr. NEWTON], if he believed in confiscation, and he said, "no"; he repudiated the doctrine. I asked him if Germany did not settle those claims, how long were they to hold this property, fifty years, and he said probably so, if these claims were not settled. Gentlemen, does not that mean the practical confiscation of this property? If you deny the legal owners of this property the right of its possession and use for a long period of time—say, 25 or 50 years—is not that tantamount to its absolute confiscation, because the interest upon it, they being deprived of its possession for that period of time, would more than amount to the principal, and in the long run it would be confiscation. So that, gentlemen, the position I take is that as trustee of this property, the question as it now comes is, What disposition shall we make of it? The treaty of Berlin provides that it shall be held by the Government of the United States until the question of its disposition shall be determined by law, and assuredly the law referred to is such law as we shall enact at this time, now that we are undertaking to deal with the subject. Otherwise it will simply resolve itself into the question of shall we hold it, denying any claim of ultimate confiscation, or shall we return it to the owners and allow them to use it as they see fit as their own property. If it is correct in principle, as has been asserted here on this subject, to return a part of the property, why should it not be equally right to return the whole property at this time and settle this whole problem and get rid of the tremendous expense and annoyance of taking care of and conserving these various estates? Why hand out to these alien property owners a mere dime when we admit that we owe them a dollar and when we admit in the same breath that it is our purpose ultimately to return to them the whole dollar?

It is admitted even on the other side that we should not permanently retain the other 90 per cent of the dollar and attempt to sequester it and sell this property in order to collect these debts owed to our private citizens. That is the whole proposition, as I see it, involved in this controversy, and that is the reason why I think the amendment that has been suggested by the gentleman from Texas, when it comes up, should be adopted. What policy have you announced here, the responsible leaders of the majority in favor of this bill, as to what we are going to do with this other 90 per cent of the property? How long are you going to hold it; what terms are you going ultimately to make in reference to its disposition? You have not asserted any policy. You have given us no light on this subject as to what you ultimately propose to do with reference to its future disposition, but here and now we have an opportunity

to settle this whole problem in one action and to settle it upon terms of good conscience, equity, and law. Some gentlemen have asserted here that there have been international precedents for this action as proposed by the majority, and my attention has been called to the fact that the settlement of the controversy with France, cited by the gentleman from Illinois [Mr. DENISON], was not at all the matter of taking property in rem, not actual tangible property which has been seized and was being held by the Government as trustee, but one relating to the settlement en bloc of mutual claims which had not been adjusted and did not involve the actual seizure of either personal or real property. There is written in the Constitution of the United States a provision, "Nor shall private property be taken for public use without just compensation to the owner." We are jealous of that right, of course, in reference to our own citizens, and, as has been suggested here, although I have absolutely no patience with the Prussian dynasty with which we combatted during the war, I might say incidentally I have no resident in my district who is a national of Germany who has one dollar's worth of property held by the Government as an alien, yet by the ordinary rules of procedure and hospitality and international policy it seems to me that if we are so zealous of the protection of the rights of our own citizens as to write it into our law that they shall not be deprived of property for public use without compensation, surely we are responsible to those visitors who have come into our midst and invested in property here, under the promise of our protection of their property, to the same character of protection that we give to our own citizens under the Constitution. As a matter of law, the provision of the Constitution to which I have referred protects alien property from seizure for public use as much as it protects that of our own citizens. [Applause.]

Mr. WINSLOW. Mr. Chairman, I yield eight minutes to the gentleman from Missouri [Mr. NEWTON].

Mr. NEWTON of Missouri. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none.

Mr. NEWTON of Missouri. Mr. Chairman, I am one of those who believes it is right to return all the property. I introduced a bill into this House providing for the return of all this property 18 months ago. But if it was right to return all the property then, certainly it is right to return a part of the property now. [Applause.] I am for this bill because, in my judgment, it is the most feasible undertaking that is possible at this late day. From reliable information I am convinced that if we include all the property now, the bill will not pass the Senate. There are millions of people in Germany and Austria who are starving. If we pass this bill 30,000 trusts will be paid in full and \$10,000 will be paid on each of the remaining claims; \$45,000,000 will be released and that would give a world of relief over there. I called upon the Secretary of State a few days ago for information as to the real conditions in central Europe as reported to him by our diplomatic and consular representatives. The Secretary of State replied to me under date of January 5, 1923, in which he says in part:

The following information and statistics have been submitted to the Department of State by official American representatives in Germany charged with the compilation of such material.

Mr. Hughes then proceeds to quote from a number of reports submitted by our consular representatives.

A report dated September 20, 1922, gives a quantitative estimate of grain crops in Germany as follows:

November, 1913: The crop for 1913 was 3,532,617 tons of winter wheat. In 1922 it had fallen to 1,637,157 tons.

In 1913 the summer-wheat yield was 510,467 tons. That fell down in 1922 to 268,566 tons. These reports are from our American consuls.

In 1913 winter spelt—that is a species of rye growing in southern Germany—yielded 437,787 tons, which fell in 1922 to 127,957 tons.

Rye, which is their staple for breadstuffs, had a yield in 1913 of 9,087,150 tons, which fell in 1922 to 5,285,231 tons.

The Secretary of State says that in a report from the consul dated November 23, 1922, the following statement is made:

It is now thought that the grain supply on hand in Germany will last until February instead of January, 1923, as heretofore reported.

I had information to the effect that the Reparation Commission had stated that the grain supply would only last until January, and it would take 2,000,000 tons of grain to feed the people and keep them from starving during the winter. They had evidently made the same statement in a former report, but later information indicates that their bread supply will last until February.

This is due to the importation of large quantities of grain from abroad.

It is clear that the food supply of Germany for the current year is not more than one-half of what it was in 1913. Then one of our consuls reports to the State Department, November 23, as follows:

At present much distress prevails in Germany. The papers are full of appeals for aid to the poor and the people are urged to do everything possible to relieve the great suffering. The fuel situation remains unsatisfactory. Coal prices had to be increased, which is due in no small measure to the fact that a million tons of coal have had to be imported from England each month, the exact figure for October being 918,598 tons. Fortunately for the poorer classes, the winter so far has been quite mild, making the use of coal for heating purposes practically unnecessary. Should colder weather set in, however, the suffering of the poor and of the middle classes will probably be very great, since the price of coal is practically beyond their reach.

Mark you, that report was dated November 23 last. I am advised that cold weather since then has brought untold suffering.

Then I want to call your attention to a statement which the Secretary of State quotes from our ambassador in Berlin. Here is what he says under date of December 21 last:

The milk supply of Berlin is only one-half its former quantity. The bread consumption per capita is 104 units to-day as against 240 units in 1914. In many wards of the city more than one-half of the children are tubercular, and a considerable portion of the population there are wholly without fuel. The ambassador adds that he believes there will be great distress among the population before the middle of February when the food supply will run short and regards the possibilities as appalling.

Gentlemen, imagine, if you can, a situation in a great city like Berlin, with more than 50 per cent of the children in large areas of the city tubercular, without adequate milk; and then imagine the same children undernourished and sick and without fuel to produce heat to keep their bodies warm. If there ever was a time when we ought to act, it is now, and we yet are holding away from 30,000 of those starving, suffering people, to whom we pledged our friendship when the war began, the money that belongs to them.

Oh, you can talk about confiscation and about charging their claims against a bankrupt German Government if you will, but those people came to this country under a treaty agreement which guaranteed protection to their property.

It is interesting to study the provisions of Article XXIII of the treaty in force during the war between the United States and Germany. It reads as follows:

If war should arise between the two contracting parties, the merchants of either country then residing in the other shall be allowed to remain nine months to collect their debts and settle their affairs, and may depart freely, carrying off all their effects without molestation or hindrance; and all women and children, scholars of every faculty, cultivators of the earth, artisans, manufacturers, and fishermen unarmed and inhabiting unfortified towns, villages, or places, and, in general, all others whose occupations are for the common subsistence and benefit of mankind, shall be allowed to continue their respective employments and shall not be molested in their persons nor shall their houses or goods be burnt or otherwise destroyed nor their fields wasted by the armed force of the enemy into whose power by the events of war they may happen to fall; but if anything is necessary to be taken from them for the use of such armed force the same shall be paid for at a reasonable price.

The office of the Alien Property Custodian was created within six months after the declaration of war, and I do not know of any German national who was ever permitted to carry off any of his effects which happened to be in this country when war was declared.

The only justification for the creation of the office of Alien Property Custodian was to prevent the nationals who were then our enemies from using their property in this country against us during the war. That was the reason which justified our action at that time, but that reason ceased to exist over four years ago, and still we are holding the property, in the face of our treaty obligations to the German national—a treaty obligation entered into in time of peace when the blood was cool—a treaty obligation which the nationals of Germany and Austria had the right to assume we would faithfully keep, an obligation which plainly provides that the merchant has nine months to carry off all his property, without molestation or hindrance; that all women and children, scholars of every faculty, cultivators of the earth, artisans, manufacturers, and fishermen, unarmed, inhabiting unfortified towns, villages, and places, and, in general, all others whose occupations are for the common subsistence and benefit of mankind should be allowed to continue their employments without molestation.

Could anything be clearer as to the obligation of this Government to protect the national who did not start the war, who could not control the war, who had no power to stop the war?

I have read the debate at the time the alien property bill was passed, and the statements of those who contended that

war terminates all treaties. I have read article 23 of the treaty with Germany. In order to show how determined they were that war should not terminate the treaty, let us read article 24 of that document:

And it is declared that neither the pretense that war dissolves all treaties nor any other whatever shall be considered as annulling or suspending this and the next preceding article, but on the contrary, the state of war is precisely that for which they are provided and during which they are to be as sacredly observed as the most acknowledged articles in the law of nature and nations.

Then, too, our President in his message delivered on the day preceding the declaration of war renewed our pledge of friendship to the people of Germany. Let us examine his words:

We have no quarrel with the German people. We have no feeling toward them but one of sympathy and friendship. It was not upon their impulse that the Government acted in entering into this war. It was not with their previous knowledge or approval. It was a war determined upon as wars used to be determined upon in the old, unhappy days when the people were nowhere consulted by their rulers.

That was our declaration, and through the President we declared further:

We are glad, now that we see the facts with no veil of false pretense about them, to fight thus for the ultimate peace of the world and for the liberation of its people, the German people included.

We made a distinction always between the kaiser's government and the German people. We declared that with the people of Germany we had no quarrel over the war; that they did not start it; that they could not stop it; that they could only carry its burdens. Those people had nothing to do with the depredations committed by the kaiser's government, and yet it is those same people with whom we are dealing now.

The declarations of our President, which I have quoted, were scattered by the thousands of copies, printed in German, over the trenches occupied by the German soldiers. Those are the sentiments also that we fed into the German prisoners who were captured, and many of whom were permitted to escape to carry this propaganda back into the German trenches, and it broke the morale of the German Army.

This Congress is not in an enviable position to deny this relief. If there was one man of all the Germans more despicable than all the rest; if there was one German who brought down on his head the condemnation of all Americans, it was Count von Bernstorff, who violated every rule of hospitality, who took advantage of his presence here to violate our neutrality. And yet this Congress passed a law which turned back to his wife, an American heiress, who went to Germany to marry a German title, \$1,000,000, while we withhold this money from these humble German girls who never had a chance to marry an American boy. We have paid hundreds of millions of dollars to these rich American women. I contend that that should have been the last to be paid. I hope this bill will be passed without material amendment, because unless it is passed in its present form, if the amount is substantially increased at this late day, it will not pass the Senate, and there will not be a chance on earth to give relief to these suffering people. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. ROACH].

The CHAIRMAN. The gentleman from Missouri is recognized for five minutes.

Mr. ROACH. Mr. Chairman and gentlemen of the committee, if I correctly understood the closing remarks of my colleague from Missouri, who has just yielded the floor, he perhaps has inside information upon the subject under discussion which we do not have. I am not willing to sacrifice, for the sake of expediency, a national principle, and there is certainly a national principle involved in this legislation to which we must not close our eyes. To my mind, the question before us is one simple of solution. The proposition before us is plain and understandable, and why we should complicate it with lengthy discussions of treaties, diplomatic relations, and all that is beyond my understanding. As has been stated by my colleague from Missouri [Mr. HAWES], we are not dealing with property of the German Government but considering the disposition of the private property of individuals.

This property was seized by our Government during the war. The law which authorized its seizure had only one purpose in view, and that one purpose was to prevent any chance of any portion of this property being used against our Government during the war. We all know that in many instances where property was so seized under the provisions of this law that there was not even the slightest of danger of the property or money being used by its owners against our Government, but, of course, the law authorized its seizure just the same. The sole cause upon which the law was bottomed has long ago ceased to exist. The war has closed for lo, these many years,

and all thinking people are devoting their energies in an effort to bring back some semblance of order out of the disorder created by the war. The property seized belonged to thousands of individuals and in the aggregate amounts to multiplied millions of dollars in value. The property in the main is represented by investments small and large made long prior to our entry in the war and at a time when peace and cordial relations existed between our Government and Germany. These investments were made because our own people solicited them. They were made principally through relatives or friends in this country, oftentimes by children for their parents, brother for sister, and so on, and always in the best of faith and with no thought of their property ever being confiscated by our Government. No one contends for a single moment that the property of these private individuals, many of whom are residents of the United States, should be confiscated by our Government for any public debt that may be due from Germany. It is my judgment that the time is now here when all of this property and money should be returned by our Government to its rightful owners. [Applause.]

The only argument that has been advanced for longer withholding the property from its rightful owners is to the effect that it should be held as a guaranty or security for what the German Empire may owe to citizens of the United States. It is generally conceded by every Member who has spoken that we would violate a time-honored and ancient principle of our own Government if we confiscated private property for a public debt due to our citizens from another Government; that such an act upon our part would violate a principle that has run through our form of government since its very foundation. To do otherwise than to return this property would violate an established American doctrine which has been concurred in by our own Presidents from Washington down to Harding, approved by all international law and lawyers, and indorsed by our Secretaries of State from Jefferson to Knox. To continue to hold this private property, even under the pretense that we are holding it as security, is to that extent confiscating it; and any confiscation whatsoever is a clear violation of the ancient and time-honored policies of our Government to which I have referred. The contention that we should hold this property as security, when carried to its logical conclusion, means eventual confiscation of the property. In other words, if the debt was not paid we would expect to take the property—foreclose our security, as it were. I do not believe there is a Member here that has given any study to the subject who would be willing to do that, and in so doing trample down a principle of our own Government that is so old that the memory of man runneth not to the contrary. However, to those who insist upon holding this property as a pledge or security, let me inquire: Why should we hold so large an amount?

The highest estimates that have ever been placed upon the amounts due to citizens of the United States from Germany, including the loss of life from the sinking of the *Lusitania*, is \$174,000,000, the major portion of which claims—to be exact, 90 per cent—are based upon insurance claims. Everyone knows that the insurance companies were in the business for the money they could make out of it. Owing to the perils of war they charged and received a high rate of insurance. The premiums were paid—high premiums at that—the shipper delivered his cargo and collected for both his wares and the insurance premiums which he had paid out. If his cargo was lost, he collected his insurance. The premiums were paid. Who, oh who, is now to be paid on account of these insurance claims? And they constitute 90 per cent of the total amount of claims against Germany which have been so much discussed here this afternoon as valid claims. No court or jury on earth would make you or me pay a dollar's worth of claims that have already been paid. Now the actual indebtedness is on account of loss of life on the *Lusitania* and other similar claims, the total amount of which claims are less than \$15,000,000; yet it is argued we should hold this entire amount of \$350,000,000 worth of private properties as security for a total debt of only \$15,000,000. This, too, in the face of the fact that our Government now holds approximately \$300,000,000 worth of ships and other property belonging to Germany, which is independent of and has no connection with the \$350,000,000 worth of private property which I now insist should be returned to its rightful owners.

The ships and other property of the German Government which we hold is more than ample security, if we must have security, for what the German Government owes to private individuals in this country. A fair deal and a square deal is not going to hurt anyone, and the fair and decent thing for Congress to do is to return this private property to its owners, many of whom are in shamefully destitute circumstances, faced with want and poverty, because of our failure to return their properties to them sooner. Our failure to return this property

is fast becoming a national scandal. I wish I had the time to call to your attention in detail some of the instances of privation, want, and hardships to which these people are being subjected. Many Members of Congress have received the most heart-rending appeals upon this subject. Let me read from the testimony of the Alien Property Custodian himself, on page 12, Part I, of the hearings on this bill. Mr. Miller, Alien Property Custodian, in testifying before the Committee on Interstate and Foreign Commerce, said:

I do think that some legislation of this character should be passed by the present Congress in order to alleviate the hardships of thousands of people whose paltry property is being held by us, and which in the end will undoubtedly be returned to them, especially the small ones. I am not going to take the time of the committee to-day, unless they want to bring it out in questions, to describe to you the letters that we receive and the pathetic appeals that come to us. And if you saw some of the property we are holding belonging to these former enemy subjects you would wonder why the Government ever wanted to hold it a day longer and why we are put to the expense of administering it.

It is time that we performed the simple act of justice of returning this money and property to its rightful owners and to that extent relieve the distressed conditions to which the Alien Property Custodian has referred. Those who have given any thought or attention to the conditions now prevailing in Germany realize that the distress is much greater among their people than the public generally realize. I again quote, and this time from a letter from one of my own constituents:

I have been a citizen of the United States since about 30 years, and I am proud of it, for I remember so many instances where our United States showed their magnanimity and compassion when, during catastrophes not only of ours but also of other nations, it extended its helping hand to the sufferers as the good Samaritan, not only by private but very often by Government aid. Should we not be loyal now to this old and good usage? What reasons would justify the closing of our hands in this present need, where thousands and millions of our brethren—most of them Christians like you and I, and just as innocent regarding the origin of the Great War—are in the greatest danger to perish, and when they cry to us for help? I give you a quotation of a letter received of recent date from one of my church members by a friend of his in Silesia, which will give you an idea in what mood they are out there at present and what conditions are dominant there, especially in cities. The party is writing (in translation) as follows:

"DEAR FRIENDS: It looks pitiful here in Germany. We are standing at an abyss, and the French are determined to toss us down in order to destroy us forever. Dear friends, please intercede in favor of us with your fellow citizens! We always are reading in papers—America is going to help us. Oh, how we wish that it may come true! The misery is almost unbearable. People walking on the streets in Neustadt (Silesia) look like walking corpses. In cities it is not uncommon for poor people to use borrowed coffins. There is nothing but misery, lamentation, and distress. In many a family children as well as grown persons have no shirt, no clothing, no shoes, no stockings since a long time."

These quotations are typical of the conditions. The millions of money and property which we are now holding without rhyme or reason would greatly alleviate much of this poverty and distress. Private citizens of this country have gone down in their own pockets and advanced some of the claimants of this property temporary assistance in the belief that a just and honorable Government would soon return to them their own properties. We can no longer justify ourselves in withholding it. Why harp upon the subject of diplomatic relations or secret reasons as to why this property can not be returned. Not a single sound reason has been forthcoming from any source. Our Secretary of State was given every opportunity to present reasons before the committee. I am now ready to vote to return every dollar's worth of this property to its rightful owners. No one can successfully argue that such a thing will ultimately not be done. Why not do it now? Shall we be less punctilious in the performance of a national duty than Germany? Germany has by legislation long ago returned every dollar's worth of property held by Germany belonging to citizens of the United States. Surely our own Government will no longer delay doing that which everyone concedes should eventually be done. Again let me quote from the testimony of the Alien Property Custodian, Mr. Miller, before the Interstate and Foreign Commerce Committee on page 17 of the hearings in which the following colloquy occurred between Mr. Miller and Mr. LEA of California, who is a member of the committee:

MR. LEA. Mr. Miller, suppose that Congress should now definitely determine that it will not take private property for the satisfaction of claims. Would you then know of any reason why Congress should any longer hold this property?

MR. MILLER. No; if that policy is arrived at there would not be any further reason why we should.

Then, further on in his testimony, as shown on page 19, this colloquy occurred between Mr. Miller and Representative HUDDLESTON, also a member of the committee:

MR. MILLER. * * * but I know it is not the desire nor the policy of this administration to resort to confiscation of this private property to pay American claims. It is merely held as a guaranty.

MR. HUDDLESTON. Well, what is a guaranty worth if you do not intend to enforce it? If the administration has decided definitely upon a policy of not applying in any event this property to the payment of claims, it has no effect as a guaranty and has no effect of

any kind. Are you able to advise us that that is the policy of the administration?

Mr. MILLER. Not to resort to confiscation?

Mr. HUDDLESTON. Yes.

Mr. MILLER. Yes; I am safe in making that statement here to-day.

Mr. HUDDLESTON. Then, if that is correct, there would seem to be no reason for not returning all the property?

Mr. MILLER. That is absolutely so.

Mr. Chairman and gentlemen of the committee, I have considered every scintilla of evidence taken at these hearings and my mind was never clearer upon a subject in my life. Fairness, honesty, upright and straightforward dealing, and every instinct of justice that I have prompt me to urge a return of this property and thereby keep faith with our forefathers in sustaining a principle of this Government that has been steadfastly adhered to by each and every one of our statesmen without regard to their political affiliations. President Wilson said that "we had no war with the German people." When he made that statement he was applauded by the Members of Congress. Let us remember that our part in the World War was said to be for the purpose of pushing back the hand of autocracy. Our first efforts were devoted to breaking down the military machine and destroying its morale. Our airplanes flew over the German lines and dropped tons of literature to do this—urging upon the German people that they would receive fair and decent treatment at the hands of the American Government.

The war is now over. We should keep faith with our own pledges, and I for one feel it to be our conscientious duty to not only keep faith with our pledges but to keep faith with our conscience, the traditions of our Government, and sustain in all respects our national principles. We should not compromise upon this matter. A compromise in this case means the continuance of an expensive bureau of our Government that is costing the already overburdened taxpayers multiplied thousands of dollars to support. I would blush with shame to think that we continued to support an unnecessary agency of the Government at the expense of the taxpayers for the mere sake of providing some one with employment, while at the same time doing a gross injustice by withholding from a people the control of their own property, much of which is urgently needed at this time to relieve suffering, want, and distress. [Applause.]

The CHAIRMAN. The gentleman's time has expired.

Mr. ROACH. I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. WINSLOW. Is it in order to extend the time, Mr. Chairman?

The CHAIRMAN. The Chair thinks not.

Mr. WINSLOW. The next speaker on this side to whom I will yield time is the gentleman from Illinois [Mr. GRAHAM]. As I understand it, we have 28 minutes left.

The CHAIRMAN. The gentleman has 28 minutes left.

Mr. WINSLOW. I yield that time to the gentleman from Illinois [Mr. GRAHAM]. [Applause.]

The CHAIRMAN. The gentleman from Illinois [Mr. GRAHAM] is recognized for 28 minutes.

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, I appreciate that it is getting late, and it may be rather hard to hold the attention of the members of the committee to what I want to say. I have some things that I hope may be of some interest.

The principal argument that is made against this bill is the argument that we are doing something immoral by passing it; that we ought to give all the property back; that in not doing so we are violating international law and doing a thing that is nationally immoral. I do not coincide with that theory. In order to get any sort of an idea of what rights a nation has in this matter it may be well for us briefly to go over this proposition from the beginning to see what the rights of this country are, what has been done, and what these acts amount to in a legal sense and in a moral way.

I do not intend to weary you with any long and verbose reading of law, but I want to call your attention to a sentence or two found in the authorities which the minority themselves cite as authorities for their position in this matter. In doing so I want to say to the members of the committee that, as I understand it, it has been the international law, well established and

announced by our Supreme Court from the beginning of the history of our Government, that a nation does have the right to confiscate the property of nationals of other countries in times of war, whether they reside within or outside of its country. I read first a brief sentence or two from the case found in Third Dallas, 226 (Ware v. Hylton), an authority which is cited by these gentlemen in their minority views. Judge Chase says:

It appears to me that every nation at war with another is justifiable, by the general and strict law of nations, to seize and confiscate all movable property of its enemy, of any kind and nature whatever, wherever found, whether within its territory or not.

Justice Iredell, in a separate opinion in the same case, stated this—I want to call your special attention to it:

The right acquired by war—detached from customs, which I am not now considering, or any express stipulation, if there be such—depends on the power of seizing the enemy's effects. It is not grounded on any antecedent claim of property but, on the contrary, the property is admitted to be the enemy's, in the very act of seizing it. Its sole justification is that being forced into a state of hostility—

Notice this, gentlemen—

by any injury for which no satisfaction could be obtained in a peaceable manner, reprisals may be made use of, as a means to compel justice to be done or to enable the injured party to obtain satisfaction for itself.

Which is just exactly the doctrine enunciated by the gentleman from Pennsylvania [Mr. TEMPLE].

The case of Brown against United States, found in Eighth Cranch's Report, 109, is also cited by these gentlemen of the minority. In that case Chief Justice Marshall held, and it is undoubtedly the law, that the confiscation of enemy property as an act of reprisal in times of war is always justifiable and is sustained by the principles of international law. I quote his language:

Respecting the power of government no doubt is entertained. That war gives to the sovereign full right to take the persons and confiscate the property of the enemy wherever found is conceded. The mitigations of this rigid rule, which the humane and wise policy of modern times has introduced into practice, will more or less affect the exercise of this right, but can not impair the right itself. That remains undiminished, and when the sovereign authority shall choose to bring it into operation, the judicial department must give effect to its will. But until that will shall be expressed, no power of condemnation can exist in the court. * * * On a review of authorities, I am entirely satisfied that, by the rigor of the law of nations and of the common law, the sovereign of a nation may lawfully confiscate the debts of his enemy during war or by way of reprisal; and I will add, that I think this opinion fully confirmed by the judgment of the Supreme Court in Ware v. Hylton (3 Dall. 199), where the doctrine was explicitly asserted by some of the judges, reluctantly admitted by others, and denied by none.

Now, I am not asking for confiscation at all. It is not necessary to do so. That question does not arise in the consideration of this bill. It is not at all a matter for our consideration, but rather a matter of contract rights openly entered into between our Government and the Government of Germany to which I desire to call your attention. Before I go into the facts leading up to the Knox-Porter resolution I want to call your attention to the treaty of 1785 with Prussia. Section 23 of that treaty has been cited by the gentleman from Alabama, I believe, and others, in which section it is stated that merchants of the two contracting countries shall have the right to leave the other country with their goods and have nine months in which to do it. Did you know that also in this treaty is this language? And, gentlemen of the minority, I would like to have you give your careful attention to this:

ART. 12. If one of the contracting parties should be engaged in war with any other power, the free intercourse and commerce of the subjects or citizens of the party remaining neuter with the belligerent powers shall not be interrupted. On the contrary, in that case, as in full peace, the vessels of the neutral party may navigate freely to and from the ports and on the coasts of the belligerent parties, free vessels making free goods, inasmuch that all things shall be adjudged free which shall be on board any vessel belonging to the neutral party, although such things belong to an enemy of the other; and the same freedom shall be extended to persons who shall be on board a free vessel, although they should be enemies to the other party, unless they be soldiers in actual service of such enemy.

That was also a part of the treaty of 1785; and I put it to you now directly, Was not that violated by the German Government repeatedly before the war began, before we entered into it? "Free vessels make free goods." And yet they went upon the high seas and, in the case of the *Lusitania*, the *Sussex*, and the *Essex*, and many others, destroyed our vessels without warning and against our protest, and therefore voided every provision of the treaty of 1785 by their own deliberate act.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. GRAHAM of Illinois. I yield to the gentleman from Minnesota.

Mr. NEWTON of Minnesota. And these claims of American claimants, practically all of them, arise out of the violation of this treaty which the gentleman has cited.

Mr. GRAHAM of Illinois. Yes. Now, let me tell you where these claims come from. Most of these claims arise from that violation of article 12 of the treaty of 1785 before we got into the war. What were they? Claims of the *Lusitania* sufferers amounting to \$15,000,000; claims of those who were sunk on the *Sussex* and *Essex*, to the horror and almost to the stupefaction of our whole people. What else? When the war broke out there were in German banks over \$40,000,000 of American deposits; and now, at this time, when it is said they have turned back all of our property, do you know that they are offering to pay that money, those deposits, in depreciated German marks? With marks at many thousands to the dollar, you will observe that these claims of American citizens are practically destroyed unless some aid comes from our Government.

The insurance claims also were claims contracted before we entered the war and on account of the German Empire violating the terms of the treaty I have mentioned.

Now, what right did we have to enter into the Knox-Porter resolution and what right did the German Government have to enter into such a negotiation? The treaty of Versailles is familiar to all of us, but perhaps not all of the provisions. But this is in the treaty of Versailles:

Germany undertakes to compensate her nationals in respect to the sale or retention of their property rights or interests.

Germany undertakes to take care of the claims of her nationals, and so provided in the treaty of Versailles.

When the Senate refused to confirm and ratify the treaty of Versailles, desiring to end the technical state of war, the Congress passed the Knox-Porter resolution. I quote from its language:

All property of the Imperial German Government, or its successor or successors, and of all German nationals which was on April 6, 1917, in or has since that date come into the possession or under control of or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into possession or under control of or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America, and no disposition thereof made except as shall have been heretofore or specifically hereafter shall be provided by law, until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said governments, respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damages, or injury to their persons or property, etc.

The Knox-Porter resolution was approved by the President July 2, 1921. On August 25, 1921, the treaty of Berlin was signed, and afterwards ratified on November 11, 1921. This treaty, in part, recited the language of the Knox-Porter resolution, just quoted, and then the following language was used:

ARTICLE 1. Germany undertakes to accord to the United States, and the United States shall have and enjoy, all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the treaty of Versailles which the United States shall fully enjoy, notwithstanding the fact that such treaty has not been ratified by the United States.

Now, that sort of a treaty having been entered into between the two nations, the question is whether the German Government had the right to make such a treaty, and if so, how far did it bind its nationals in so doing?

I want to call attention to the constitution of the new German Republic. How far, if you please, can any nation take the property of its citizens and apply the same in satisfaction of the claims of other nations? The law is plain and has been held in almost every civilized country in the world that a nation has such a right. Not only has it such a right in Germany but this right has been written expressly in the constitution of the new German Republic. Let me read the first section, 153, of the constitution of the German Republic, established August 11, 1919:

The constitution guarantees the right of private property. Its nature and limitations are defined by law. Expropriation—

That is what we are talking about—shall take place only for the common good and shall be subject to due process of law.

There shall be appropriate compensation, unless otherwise provided by Federal law. Property rights impose certain duties. The use of property shall serve for the common good.

Article 7 of the constitution says:

The Federal State has jurisdiction over: * * * matters concerning expropriation.

Therefore in the most explicit language the German people have written into their fundamental law the right of the German Republic to use their property and money in satisfaction of the claims of other nationals.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. HUDDLESTON. I would like to ask whether the gentleman considers that the owners of this property now held by the Alien Property Custodian had their property taken by the German Government under due process of law?

Mr. GRAHAM of Illinois. Does the gentleman think that he and I and the other Members of this Congress have the right to pass upon that question? We must assume that when the German Government has entered into a treaty which has been signed by properly designated agents that these agents have the proper authority. To do otherwise would be to possibly repudiate every treaty that we ever entered into.

Mr. HUDDLESTON. Have they been compensated as required by that constitution?

Mr. GRAHAM of Illinois. I do not know, but that question is a question to be settled between the German Republic and its citizens.

Mr. HUDDLESTON. The gentleman has argued that this property has been legally taken.

Mr. GRAHAM of Illinois. Legally, so far as we are concerned.

Mr. HUDDLESTON. In order to have been legally taken, there must have been a day in court, and due process of law, and compensation therefor. It is upon the gentleman to establish those things.

Mr. GRAHAM of Illinois. The Congress, when this treaty has been entered into by properly accredited representatives and has been ratified by the two nations, need not use its time in passing upon the question of whether some citizen in Germany has had his day in court. There is no day in court as between nations. Nations deal with each other in one of two ways, either by treaties or by wars. In this case they have made an agreement which is before us, and which is to us the law of the land.

I want to read now what the supreme court of Germany holds on this matter. On October 8, 1918—B. against Konkurs—in a case involving this same proposition, that court said:

Thus * * * the compensation in regard to all rights in property or in the use of the same shall take the place of the expropriated object. * * * By virtue of a Federal law, the owner is to be compensated for the thing expropriated on account of public interest.

Thus further announcing the policy which I have stated, which is developed more in Germany than in this country, because, so far as I know, our courts have not yet in this country passed on the right of a nation to take private property and devote it to a public use of this kind, but I have no doubt as to the right to do so. The citations of German law I have given are from a brief submitted to the committee by counsel for the *Lusitania* victims, Mr. George Whitefield Betts, jr., and his associate counsel.

Mr. RAYBURN. I think we all agree that the power exists, but has any nation in the world in the last hundred years exercised that power?

Mr. GRAHAM of Illinois. Oh, yes; we ourselves have.

Mr. RAYBURN. And has any international writer indorsed that doctrine?

Mr. GRAHAM of Illinois. If I have the time I shall show you that we have done it time and time again. Reading now from Butler's Treaty Making Power of the United States, which is one of the most modern works upon the subject, volume 2, page 283:

The third instance referred to is the right of eminent domain; the treaty-making power of the United States has frequently been exercised in the settlement of international disputes in such manner that claims of citizens of the United States against foreign governments have been wiped out and absolutely surrendered, so that they can never be asserted by the citizens either in the courts of this country or in the courts of the debtor government; and this without providing any remedy, or prospect of indemnity, except such as Congress may thereafter provide, at its own time and convenience.

In support of that proposition the author cites precedent after precedent, and let me call the attention of gentlemen to the following treaties which the United States has ratified in our time, or at least within recent times, in which American claims were wiped out and the Government of the United States agreed to stand good for them, just as Germany has agreed in this. During the last 20 years these treaties have been entered into:

Under the convention of 1880 with France, under the agreement of 1885 with Haiti, under the agreement of 1885 with Venezuela, under the protocol of 1891 between Great Britain, Portugal, and the United States, under the convention of 1892 with Chile, under the convention of 1892 with Venezuela, under

the treaty of 1898 with Spain, and some other instances; but during the last 20 years there are eight or ten times when we did that thing; that is, destroyed the right of our citizens to collect their claims from other countries. Those claims have been pending in the Congress of the United States; perhaps many of them have been adjusted; but I judge from what I have heard here to-day that many of them are yet pending in which we are responsible to the citizens of the country for wrongs done and injuries committed by other nations. Germany has done that thing here, and Germany has the right to do it under the principles of law and under her constitution and decisions of her supreme court. We have come here to-day asking simply to carry out the contract which Germany made.

Mr. GRIFFIN. If the German Republic has assumed responsibility for these claims, does the gentleman not think that this bill goes too far in even paying the claims to the extent of \$10,000?

Mr. GRAHAM of Illinois. No; I do not think so.

Mr. GRIFFIN. How does the gentleman justify that?

Mr. GRAHAM of Illinois. I do not attempt to justify the \$10,000 any more than I would justify \$11,000 or \$9,000. Ten thousand dollars was taken as an arbitrary figure, which was thought to include most of them, and would give back to these people enough to tide them over this time of temporary need and would not impair at all this pledged property which is now in our hands.

Mr. GRIFFIN. This is only an indulgence?

Mr. GRAHAM of Illinois. It is simply to help them out. That is the size of it. To be frank about it, let me say this: If you do not pass this bill, we are not apt to get anything, because gentlemen will understand that there is a spirited opposition to even this small amount of indulgence which the bill will meet elsewhere, and it is better to give these people all we can and at the same time retain the pledge, so that our American citizens will be protected, than it is to do nothing. Therefore, I say, as a practical matter the thing to do is to pass this bill, and even if you put on such an amendment as the gentleman from Texas [Mr. RAYBURN] has suggested and declare that ultimately it will all be returned, it will mean defeat of the legislation entirely. I can not make up my mind that I can say that all of this property ought to go back to the citizens of Germany, in view of what has occurred, in view of the pledges and promises and treaties that have been made. I can not forget the screams and wails of the victims of the *Lusitania* when she plunged into the Atlantic on that sad day in our history. So far as I am concerned, I do not propose to adopt any scuttling policy when it comes to protecting the rights of Americans in matters of this kind.

Mr. RAYBURN. If there were no other way of collecting those claims, the gentleman would confiscate this property?

Mr. GRAHAM of Illinois. I would look after American citizens first. During the last two years in this country there has been a policy promoted—some of it fathered by the administration that preceded this—by which claims of American citizens in foreign countries have been somewhat lightly regarded. This vacillating and weak policy has been the source of a great deal of international trouble. I would wipe out that policy and do what I could to look after Americans first.

Mr. RAYBURN. The gentleman says, then, his answer is that he would confiscate this property?

Mr. GRAHAM of Illinois. I said nothing of the kind. It is not necessary for me to cross that river until I get to it. I am talking about the situation as it exists. I am talking about a contract which Germany and the United States have entered into and which we are simply trying to put into practical operation by this legislation. It seems to me a question of a charitable act to people in other countries who now need succor and assistance.

Mr. TILSON. Can the gentleman tell us about the per cent in number of these claims that this will take care of?

Mr. GRAHAM of Illinois. Ninety per cent.

Mr. TILSON. So there will be only 10 per cent—

Mr. NEWTON of Minnesota. Ninety-three per cent.

Mr. GRAHAM of Illinois. All right; 93 per cent. It will do this further thing. Gentlemen have lost sight of one provision of this bill. This bill not only gives back the \$10,000 but gives all persons whose property was seized the net income of all their property. I believe the German who had his property seized and which is now in the hands of the Alien Property Custodian is better off than if he had had the property himself.

Mr. SABATH. How about the resident alien; would he be better off?

Mr. GRAHAM of Illinois. The same law applies to him.

Mr. SABATH. Well, Germany could not seize the property? Mr. GRAHAM of Illinois. Why, the right of the German Government extends to any German any place, anywhere, just as our right extends to our citizens any place in the world. This includes the right of taxation, the right of levying any sort of a tax that they can collect from the property of their own nationals.

Mr. SABATH. Is the gentleman contending that the German Government could take the property of a German resident in the United States?

Mr. GRAHAM of Illinois. A German citizen?

Mr. SABATH. Yes.

Mr. GRAHAM of Illinois. If they can get hold of the property, they can.

Mr. SABATH. Ah, getting hold of it.

Mr. GRAHAM of Illinois. The right exists. It is only a matter of getting jurisdiction over the property.

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. GRAHAM of Illinois. I will.

Mr. SANDERS of Indiana. As a matter of fact, under the alien property law we never seized any property except aliens who were living in Germany and other countries. We did not seize the property of aliens living in this country.

SEVERAL MEMBERS. Oh, yes.

Mr. SANDERS of Indiana. Except those who were interned.

Mr. GRAHAM of Illinois. The situation, as I understand it, is that we seized the property of those whom we thought to be dangerous.

Mr. SANDERS of Indiana. Those who were interned.

Mr. GRAHAM of Illinois. Where we thought they were dangerous aliens, whether resident or not; but there are a good many aliens in this country whose property we did not take at all, and much of the alien property has never been under control of the Alien Property Custodian. Now, this is a measure of relief that ought to be given. It will help a lot. Forty-five million dollars in Germany will do these people a lot of good. Now I want to say something in reference to Austria-Hungary. Some gentlemen have a wrong impression about it. It is a sad condition, as Mr. HAWES has demonstrated to you, but there are claims pending before the Mixed Claims Commission of approximately \$15,000,000 against Austria-Hungary and there are only assets of about nine or ten millions seized from nationals of that country. It is claimed by the Secretary of State in a letter which is in the record that most of these claims are those that originated from submarines that occurred in the Mediterranean Sea.

A part of the letter of the Secretary of State about these Austro-Hungarian trusts is as follows:

In so far as shown by the records of the department, 61 claims have been filed by American citizens against the Imperial and Royal Austro-Hungarian Government for compensation for losses resulting from the torpedoing of vessels by submarines of that Government, for military requisitions made by that Government, and for damage or injury to persons and property. The total amount of these claims is approximately \$13,043,913.

In addition to the foregoing claims filed with the department against the Imperial and Royal Austro-Hungarian Government, it is not unlikely that many of the claims of American citizens filed with the department against the Government of Germany may, upon investigation, be found to be claims for losses for which the Imperial and Royal Austro-Hungarian Government should be responsible. This possibility arises from the fact that claims for losses resulting from submarine warfare have been filed against Germany in cases where the government responsible for the act has not been determined.

The treaties concluded with Austria and Hungary to reestablish friendly relations with those nations contain provisions securing to the United States all the rights, privileges, indemnities, reparations, and advantages specified in the joint resolution of Congress of July 2, 1921, declaring the state of war terminated, including all rights and advantages stipulated for the benefit of the United States in the treaties of Versailles, St. German en Laye, and Trianon. The resolution of July 2, 1921, provided, among other things, that sequestered property should be retained by the United States until such time as the enemy governments made suitable provision for the settlement of claims growing out of the war.

It appears that the proposed bill is based upon the assumption that the claims of American citizens against the Imperial and Royal Austro-Hungarian Government for losses suffered by reason of the acts of that Government or its agents have been suitably settled, or that no such claims ever existed. As seen from the foregoing, this assumption is incorrect.

I am, my dear Mr. WINSLOW, very sincerely yours,

CHARLES E. HUGHES.

So it will be seen that if you turn this property back you may deprive a great many American citizens, who otherwise might have some hope of getting their just claims paid, of that right.

Mr. EDMONDS. Does the gentleman think it would help the program on the other side if we simply amend the bill so as to return Bergdoll his money?

Mr. GRAHAM of Illinois. We have got a provision in the bill which I think will stop Grover Cleveland.

Mr. GARRETT of Tennessee. I want to ask the gentleman if these claims which he mentions in reference to Austria-Hungary were by insurance companies?

Mr. GRAHAM of Illinois. No; they are claims for loss of life and loss of property.

Mr. GARRETT of Tennessee. By insurance companies?

Mr. GRAHAM of Illinois. No; I think not.

Mr. HAWES. The gentleman will remember I asked the Alien Property Custodian the character of these claims, and he said to the best of his knowledge they were insurance claims from Austria-Hungary.

Mr. GRAHAM of Illinois. I did not so understand it.

Mr. WINSLOW. That is what he said, but the other man said something else.

Mr. GRAHAM of Illinois. Whatever may have been his statement, the Secretary of State has given us a very definite idea of their nature in his letter I have just quoted. I trust the bill will pass in its present form.

The CHAIRMAN. The time of the gentleman has expired; all time has expired.

Mr. GRAHAM of Illinois. I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. NEWTON of Minnesota. Mr. Chairman, I make the same request.

Mr. HAWES. I make the same request.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That section 9 of the "trading with the enemy act," as amended, is amended to read as follows:

Mr. LONDON. Mr. Chairman—

The CHAIRMAN. The Clerk has not finished reading the section. The bill is being read by sections.

Mr. TILSON. That section extends to page 13, line 7.

The CHAIRMAN. The Clerk will read.

Mr. LONDON. I make the point of order, Mr. Chairman, that there is no quorum present.

The CHAIRMAN. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count.

Mr. LONDON. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman withdraws the point of order. The Clerk will read.

The Clerk continued to read, as follows:

"SEC. 9. (a) That any person not an enemy or ally of enemy claiming any interest, right, or title in any money or other property which may have been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States, or to whom any debt may be owing from an enemy or ally of enemy whose property or any part thereof shall have been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States, may file with the said custodian a notice of his claim under oath and in such form and containing such particulars as the said custodian shall require; and the President, if application is made therefor by the claimant, may order the payment, conveyance, transfer, assignment, or delivery to said claimant of the money or other property so held by the Alien Property Custodian or by the Treasurer of the United States, or of the interest therein to which the President shall determine said claimant is entitled: *Provided*, That no such order by the President shall bar any person from the prosecution of any suit at law or in equity against the claimant to establish any right, title, or interest which he may have in such money or other property. If the President shall not so order within 60 days after the filing of such application, or if the claimant shall have filed the notice as above required and shall have made no application to the President, said claimant may institute a suit in equity in the Supreme Court of the District of Columbia or in the district court of the United States for the district in which such claimant resides, or, if a corporation, where it has its principal place of business (to which suit the Alien Property Custodian or the Treasurer of the United States, as the case may be, shall be made a party defendant), to establish the interest, right, title, or debt so claimed, and if so established the court shall order the payment, conveyance, transfer, assignment, or delivery to said claimant of the money or other property so held by the Alien Property Custodian or by the Treasurer of the United States or the interest therein to which the court shall determine said claimant is entitled. If suit shall be so instituted, then such money or property shall be retained in the custody of the Alien Property Custodian, or in the Treasury of the United States, as provided in this act, and until any final judgment or decree which shall be entered in favor of the claimant shall be fully satisfied by payment or conveyance, transfer, assignment, or delivery by the defendant, or by the Alien Property Custodian, or Treasurer of the United States on order of the court, or until final judgment or decree shall be entered against the claimant or suit otherwise terminated.

"(b) In respect of all money or other property conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States, if the President shall determine that the owner thereof at the time such money or other property was required to be so conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian, or at the time when it was voluntarily delivered to him or was seized by him, was—

Mr. BLANTON. Mr. Chairman, a point of order. I make the point of order that we are proceeding in violation of the order of the House in that by unanimous consent it was ordered that at any time after 5 o'clock it would be in order to move to recess until 8 o'clock.

The CHAIRMAN. The Chair suggests to the gentleman that it is after 5 o'clock and before 8 o'clock, so that there is no violation of the order.

Mr. BLANTON. In conformity with that order, so that the House may recess in time to meet at 8 o'clock, I move that the committee do now rise.

Mr. TILSON. The gentleman can not interrupt the reading.

Mr. BLANTON. I can interrupt the reading at any time.

Mr. MONDELL. The Clerk is reading the first section of the bill. As soon as he has concluded that we shall move that the committee rise.

The CHAIRMAN. The Chair is of the opinion that the motion of the gentleman from Texas is in order. The question is on agreeing to the motion that the committee do now rise.

The question was taken; and the Chairman announced that the "noes" appeared to have it.

Mr. BLANTON. Mr. Chairman, I ask for a division.

The committee divided, and the affirmative vote was taken—ayes 5.

Mr. BLANTON. Mr. Chairman, I withdraw that motion.

Mr. CHINDBLOM. Mr. Chairman, the motion is withdrawn.

The CHAIRMAN. The Chair thinks that the motion can not be withdrawn at this stage.

Mr. BLANTON. I make the point of no quorum. I presume I can do that.

The CHAIRMAN. The gentleman will get his opportunity.

The negative vote was taken—noes 65.

The CHAIRMAN. On this motion the ayes are 5 and the noes are 65.

So the motion was rejected.

The CHAIRMAN. Does the gentleman from Texas insist on his point of order that there is no quorum present?

Mr. BLANTON. I understand that the committee is not going to sit after the reading of this section is completed. I will withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn. The Clerk will read.

The Clerk continued to read, as follows:

(1) A citizen or subject of any nation or State or free city other than Germany or Austria or Hungary or Austria-Hungary and is at the time of the return of such money or other property hereunder a citizen or subject of any such nation or State or free city; or

(2) A woman who, at the time of her marriage, was a subject or citizen of a nation which has remained neutral in the war, or of a nation which was associated with the United States in the prosecution of said war, and who, prior to April 6, 1917, intermarried with a subject or citizen of Germany or Austria-Hungary and that the money or other property concerned was not acquired by such woman, either directly or indirectly, from any subject or citizen of Germany or Austria-Hungary subsequent to January 1, 1917; or

(3) A woman who at the time of her marriage was a citizen of the United States, and who prior to April 6, 1917, intermarried with a subject or citizen of Germany or Austria-Hungary, and that the money or other property concerned was not acquired by such woman, either directly or indirectly, from any subject or citizen of Germany or Austria-Hungary subsequent to January 1, 1917; or

(4) A citizen or subject of Germany or Austria or Hungary or Austria-Hungary and was at the time of the severance of diplomatic relations between the United States and such nations, respectively, accredited to the United States as a diplomatic or consular officer of any such nation, or the wife or minor child of such officer, and that the money or other property concerned was within the territory of the United States by reason of the service of such officer in such capacity; or

(5) A citizen or subject of Germany or Austria-Hungary, who, by virtue of the provisions of sections 4067, 4068, 4069, and 4070 of the Revised Statutes and of the proclamations and regulations thereunder, was transferred, after arrest, into the custody of the War Department of the United States for detention during the war and is at the time of the return of his money or other property hereunder living within the United States; or

(6) A partnership, association, or other unincorporated body of individuals outside the United States, or a corporation incorporated within any country other than the United States, and was entirely owned at such time by subjects or citizens of nations, States or free cities other than Germany or Austria or Hungary or Austria-Hungary and is so owned at the time of the return of its money or other property hereunder; or

(7) The Government of Bulgaria or Turkey, or any political or municipal subdivision thereof; or

(8) The Government of Germany or Austria or Hungary or Austria-Hungary, and that the money or other property concerned was the diplomatic or consular property of such Government; or

(9) An individual who was at such time a citizen or subject of Germany, Austria, Hungary, or Austria-Hungary, or who is not a citizen or subject of any nation, State, or free city, and that such money or other property, or the proceeds thereof, if the same has been converted, does not exceed in value the sum of \$10,000, or although exceeding in value the sum of \$10,000 is nevertheless susceptible of division, and the part thereof to be returned hereunder does not exceed in value the sum of \$10,000: *Provided*, That an individual shall not be entitled, under this paragraph, to the return of any money or other property owned by a partnership, association, unincorporated body of

individuals, or corporation at the time it was conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian, or seized by him hereunder; or

(10) A partnership, association, other unincorporated body of individuals, or corporation, and that it is not otherwise entitled to the return of its money or other property, or any part thereof, under this section, and that such money or other property, or the proceeds thereof, if the same has been converted, does not exceed in value the sum of \$10,000, or although exceeding in value the sum of \$10,000, is nevertheless susceptible of division, and the part thereof to be returned hereunder does not exceed in value the sum of \$10,000; or

(11) A partnership, association, or other unincorporated body of individuals, having its principal place of business within any country other than Germany, Austria, Hungary, or Austria-Hungary, or a corporation, organized or incorporated within any country other than Germany, Austria, Hungary, or Austria-Hungary, and that the control of, or more than 50 per cent of the interests or voting power in, any such partnership, association, other unincorporated body of individuals, or corporation, was at such time, and is at the time of the return of any money or other property, vested in citizens or subjects of nations, States, or free cities other than Germany, Austria, Hungary, or Austria-Hungary.

Then the President, without any application being made therefor, may order the payment, conveyance, transfer, assignment, or delivery of such money or other property held by the Alien Property Custodian or by the Treasurer of the United States, or of the interest therein to which the President shall determine such person entitled, either to the said owner or to the person by whom said property was conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian: *Provided*, That no person shall be deemed or held to be a citizen or subject of Germany or Austria or Hungary or Austria-Hungary for the purposes of this section, even though he was such citizen or subject at the time first specified in this subsection, if he has become or shall become, ipso facto or through exercise of option, a citizen or subject of any nation or State or free city other than Germany, Austria, or Hungary, (first) under the terms of such treaties of peace as have been or may be concluded subsequent to November 11, 1918, between Germany or Austria or Hungary (of the one part) and the United States and/or three or more of the following-named powers: The British Empire, France, Italy, and Japan (of the other part), or (second) under the terms of such treaties as have been or may be concluded in pursuance of the treaties of peace aforesaid between any nation, State, or free city (of the one part) whose territories, in whole or in part, on August 4, 1914, formed a portion of the territory of Germany or Austria-Hungary and the United States and/or three or more of the following-named powers: The British Empire, France, Italy, and Japan (of the other part). For the purposes of this section any citizen or subject of a State or free city which at the time of the proposed return of money or other property of such citizen or subject hereunder forms a part of the territory of any one of the following nations: Germany, Austria, or Hungary, shall be deemed to be a citizen or subject of such nation. And the receipt of the said owner or of the person by whom said money or other property was conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian shall be a full acquittance and discharge of the Alien Property Custodian or the Treasurer of the United States, as the case may be, and of the United States in respect to all claims of all persons heretofore or hereafter claiming any right, title, or interest in said money or other property, or compensation or damages arising from the capture of such money or other property by the President or the Alien Property Custodian: *Provided further, however*, That except as herein provided no such action by the President shall bar any person from the prosecution of any suit at law or in equity to establish any right, title, or interest which he may have therein.

(c) Any person whose money or other property the President is authorized to return under the provisions of subsection (b) hereof may file notice of claim for the return of such money or other property, as provided in subsection (a) hereof, and thereafter may make application to the President for allowance of such claim and/or may institute suit in equity to recover such money or other property, as provided in said subsection, and with like effect. The President or the court, as the case may be, may make the same determinations with respect to citizenship and other relevant facts that the President is authorized to make under the provisions of subsection (b) hereof.

(d) Whenever a person, deceased, would have been entitled, if living, to the return of his money or other property hereunder, then his legal representative may proceed for the return of such money or other property as provided in subsection (a) hereof: *Provided, however*, That the President or the court, as the case may be, before granting such relief shall impose such conditions by way of security or otherwise as the President or the court, respectively, shall deem sufficient to insure that such legal representative will redeliver to the Alien Property Custodian such portion of the money or other property so received by him as shall be distributable to any person not eligible as a claimant under subsections (a) or (c) hereof.

(e) No money or other property shall be returned nor any debt allowed under this section to any person who is a citizen or subject of any nation which was associated with the United States in the prosecution of the war, unless such nation in like case extends reciprocal rights to citizens of the United States; nor in any event shall a debt be allowed under this section unless it was owing to and owned by the claimant prior to October 6, 1917, and as to claimants other than citizens of the United States unless it arose with reference to the money or other property held by the Alien Property Custodian or Treasurer of the United States hereunder.

(f) Except as herein provided, the money or other property conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian shall not be liable to lien, attachment, garnishment, trustee process, or execution, or subject to any order or decree of any court.

(g) The legal representative (duly appointed by a court in the United States) of a person, deceased, whose money or other property has been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States, may (if not entitled to proceed under subsection (d) of this section) proceed under subsection (a) for the recovery of any interest, right, or title in any such money or other property which has, by reason of the death of such person, become the interest, right, or title of a citizen of the United States, unless such citizenship was acquired through naturalization proceedings in which the declaration of intention was filed after November 11, 1918. Such legal representative shall give a bond, in a penal sum and with

sureties satisfactory to the President or the court, as the case may be, conditioned that he will redeliver to the Alien Property Custodian all such money or other property not distributed to such citizen, or, if deceased, to his heirs or legal representatives.

(h) The aggregate value of the money or other property returned under paragraphs (9) and (10) of subsection (b) to any one person, irrespective of the number of trusts involved, shall in no case exceed \$10,000.

(i) For the purposes of paragraphs (9) and (10) of subsection (b) of this section accumulated net income, dividends, interest, annuities, and other earnings, shall be considered as part of the principal.

(j) Subsection (g) and paragraphs (9) and (10) of subsection (b) of this section shall not apply to any patent, trade-mark, print, label, copyright, or right therein or claim thereto, conveyed, transferred, assigned, or delivered to the Alien Property Custodian, or seized by him, or to the proceeds received from the sale, license, or other disposition of any such patent, trade-mark, print, label, copyright, or right therein or claim thereto; but the Alien Property Custodian is authorized and directed to return to the person entitled thereto, whether or not an enemy or ally of enemy and regardless of the value, any patent, trade-mark, print, label, copyright, or right therein or claim thereto, which has been conveyed, transferred, assigned, or delivered to the Alien Property Custodian, or seized by him, and which (1) has not been sold, licensed, or otherwise disposed of under the provisions of this act, and (2) is not involved (at the time this subsection takes effect) in litigation in which the United States, or any agency thereof, is a party.

(k) This section shall not apply, however, to money paid to the Alien Property Custodian under section 10 hereof.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. NEWTON of Minnesota. Mr. Chairman, I move that the committee do now rise.

Mr. GARRETT of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARRETT of Tennessee. I understand that this section, if the committee now rises, is subject to amendment?

Mr. NEWTON of Minnesota. Yes.

The CHAIRMAN. The section will be pending when the bill is again taken up. The question is on agreeing to the motion of the gentleman from Minnesota [Mr. NEWTON] that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. ANDERSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 14222) to amend the trading with the enemy act, had come to no resolution thereon.

REFERENCE OF THE BILL S. 3968—OIL POLLUTION OF NAVIGABLE WATERS.

Mr. DEMPSEY. Mr. Speaker, I move that the bill S. 3968, No. 284 on the House Calendar, be rereferred to the Committee on Rivers and Harbors for further consideration.

The SPEAKER. The gentleman from New York moves that the bill S. 3968 be rereferred to the Committee on Rivers and Harbors. The Clerk will report it by title.

The Clerk read as follows:

A bill (S. 3968) to improve the navigability of the waters of the United States by preventing oil pollution thereof.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, is this by the request of the committee?

Mr. DEMPSEY. Yes.

Mr. GARRETT of Tennessee. I understand this bill has been reported from the committee and is now on the calendar.

Mr. DEMPSEY. I will say to the gentleman from Tennessee that the purpose of it is this: This bill deals with all the navigable waters of the United States, and the committee has decided to recall this bill and deal only with salt water at the seashore.

Mr. STAFFORD. It is not the intention of the committee to load it down with numerous amendments, as was done by the Naval Committee on a bill relating to one subject, so as to make it a vehicle of omnibus legislation?

Mr. DEMPSEY. Not at all.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. It will be rereferred to the Committee on Rivers and Harbors.

EXTENSION OF REMARKS.

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. JAMES] may extend his remarks in the Record on the bill H. R. 11903.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The extension of remarks referred to is here printed in full as follows:

Mr. JAMES. Mr. Speaker, the members of the House Committee on Military Affairs began their studies of the Muscle Shoals problem early in February of last year. The Secretary of War's report transmitting the offer of Henry Ford was the first document received. This was dated February 1, 1922, and on February 8 the committee had its first meeting. In all there were five proposals before the committee. Four of these received detailed consideration.

PURPOSES OF CONGRESS IN BUILDING NITRATE PLANTS.

The purposes of Congress in providing for the construction of nitrate plants was clearly expressed in section 124 of the national defense act in these words:

The President of the United States is * * * further authorized to construct, maintain, and operate, at or on any site or sites so designated, dams, locks, improvements to navigation, power houses, and other plants and equipment or other means than water power as in his judgment is the best and cheapest, necessary, or convenient for the generation of electrical or other power, and for the production of nitrates or other products needed for munitions of war and useful in the manufacture of fertilizers and other useful products. (Public, No. 85, 64th Cong.)

There were, therefore, two principal reasons for the establishment of the nitrate plants.

First. The need for an adequate supply of nitrates for explosives for the national defense.

Second. A sufficient supply of nitrogen for use in fertilizers for the benefit of American agriculture.

Senator NORRIS well expressed these purposes of Congress when he said:

We have just two objects in view. One is to get cheap fertilizers and the other is to be prepared to make explosives in time of war. (B. p. 278.)

Replying to Senator NORRIS, Mr. W. B. Mayo, chief engineer for Mr. Ford, said:

Yes, sir. That plan is what he (Mr. Ford) has tried to carry out in this offer. (B. p. 278.)

As a committee we agreed with Senator NORRIS that these were the reasons why these plants should be built, and we agreed with him that these plants should be operated. We merely disagreed as to how this should be done.

THE MILITARY VALUE OF THE NITRATE PLANT.

Mr. Speaker, our committee was unanimous in the opinion that it is no less important to-day than it was in 1916, when the national defense act was passed, that this country should keep up with world progress in the art of securing nitrogen for explosives from the atmosphere. During the war the United States was the one great Nation which depended wholly upon Chile for its nitrates. What was the result? At a time when the need for ships was vital we used German vessels and took over Dutch steamers, and by means of these and chartered Scandinavian and Japanese tonnage we built up a transport fleet which, on November 1, 1918, totaled 327 ships, comprising some 3,400,000 tons.

As a result of our policy of depending upon Chile for nitrates, however, we found it necessary to divert 128 of these vessels, aggregating 700,000 tons, or nearly 20 per cent of our fleet, for the sole purpose of bringing this one material, nitrate of soda, from Chile.

Testifying before the Senate Committee on Agriculture, Maj. J. H. Burns, the former chief of the Nitrate Division, stated:

As an indication of the importance of this plant (nitrate plant No. 2) from a military standpoint, it will fix enough nitrogen to supply constantly some 12 divisions fighting in accordance with the organization in existence at the time of the armistice. When our Army was engaged in the Meuse-Argonne offensive the maximum number of divisions available in the American Army was 30. So No. 2 plant would have been capable of fixing over one-third of the nitrogen required by a force equal to the maximum military effort that America was able to put forth in the World War. (B. p. 60.)

The value of such a plant to this Nation in time of war was well described by Senator NORRIS in the following language:

It would have been a wonderful thing. It is almost impossible to estimate, without drawing on the imagination, just what that would have meant in this war, because I understand the Allies were right to the verge on munitions. They didn't have a 30 days' supply, and 30 days' continuous war would have taken everything they had and left them without ammunition. It was really that desperate condition that induced the Government to go into this. I am told, too, that one of the reasons the expenses are so great is that they worked 24 hours a day at times, three shifts, in order to hurry it and get it ready. (B. p. 304.)

THE AGRICULTURAL NEED FOR THE NITRATE PLANT.

As to the need for fertilizers it is a well-known fact that statistics show that in our agricultural yields per acre the United States of America, far from being a leader among the nations, is trailing along with such backward countries as Austria and European Russia. Yet this production, small as it is, is being maintained by taking from American soil millions upon millions of tons of those three plant foods of which our

supply is most limited—nitrogen, phosphoric acid, and potash. It is this mining of the soil, so destructive to American agriculture, that has brought about a decrease averaging 30 per cent in the acreage of farm lands under cultivation in the New England States during the past 40 years. This process of shipping away the fertility of the soil, which has resulted in the abandoning of 70 per cent of the farm lands in such a thrifty State as New Hampshire, is now going on in the Middle West. The question of a sufficient supply of fertilizer at low cost is no longer a question only for the East and South, but is a matter of national concern.

There is a third and also a fourth benefit of great importance which follow directly from this enterprise.

THE VALUE OF THE POWER DEVELOPMENT.

While the testimony shows that Mr. Ford expects to use the Muscle Shoals power for fertilizer production and for manufacturing purposes, in the evident belief that this power can be made of greater general service by distributing it in the form of cheapened fertilizer and other products at reduced cost, in accordance with his well-known policies, rather than by distributing it on a copper wire, there is, however, a public-utility advantage in the Ford offer.

This third benefit is the Ford amortization plan which ultimately eliminates 80 per cent of the cost of hydroelectric power by setting up a sinking fund which refunds the original investment and thereby eliminates the interest which constitutes this 80 per cent of the cost of the power.

When it is remembered that it has been estimated by the United States Geological Survey that more than 200,000,000 horsepower of hydroelectric equipment can be profitably installed in the United States it is evident that a policy under which this vast undeveloped water power can be made as cheap in the United States as it is in such favored countries as Norway and Canada is a great step forward in hydroelectric-power economics. This principle when applied generally to the development of hydroelectric power in the United States ultimately means cheap power to reduce the labor of the farmer and of the farmer's wife; it means cheap power for manufacturers and for the economical production of a long list of electrochemical and electrometallurgical products which are absolute necessities in time of war and are the basis of our industrial leadership among the nations in time of peace.

THE VALUE TO NAVIGATION.

The fourth benefit is the improvement of the navigation on the Tennessee River, which with modern steel barges and towboats and with the modern terminal and transfer equipment that is being installed on our inland streams will undoubtedly result in a large water-borne traffic.

Millions of tons of coal lie adjacent to the Tennessee River and its tributaries above Muscle Shoals. Millions of tons of phosphate rock are within reach of certain of these tributaries. Raw materials for scores of industrial processes lie dormant in the upper valley awaiting only the cheap transportation of the Tennessee River to make them available to the great markets of the Mississippi Valley.

This result, however much to be desired, can not come about until there is a permanent 6-foot channel between the upper Tennessee River Valley and the Ohio River. Such a channel has never been practicable because of its enormous cost at Muscle Shoals, where both Dam No. 2 and Dam No. 3 are necessary for an adequate improvement. With the acceptance of the Ford offer this heretofore insurmountable obstacle is wiped out, and the revival of modern inland waterway transportation will be afforded an opportunity to extend its benefits 400 miles up the Tennessee River into this comparatively undeveloped region.

THE REQUIREMENTS OF THE SUCCESSFUL BID.

With these questions in mind, the committee felt that there were certain requirements which should be met by the successful bidder.

First, the nitrate plant must be maintained ready for immediate use in time of war. No offer which failed to do that could reasonably be approved by the committee. The committee also felt that it would be an immense advantage if some provision should be made whereby the country would be assured that this great nitrate plant would not only be maintained but would be remodeled from time to time and kept in modernized, up-to-date condition, for it requires no great study of history to appreciate the fact that victorious armies in modern warfare are not the armies which employ obsolete guns or obsolete plants to make their munitions.

Since it is undoubtedly true that the controlling reason for the location of the nitrate plant at Muscle Shoals was an economic one and had to do with the cost of production, it was

evident that one of the ruling considerations was the great possibility of fertilizer manufacture at this plant in time of peace, in accordance with the expression of Congress which I have quoted.

The committee felt, therefore, that any offer was fatally defective which did not provide a sound, businesslike guaranty that these possibilities would be worked out—not at the expense of the United States Government on a cost-plus basis but at the expense of the bidder.

In the matter of the water-power lease the committee did not feel that the United States Government should undertake to make money out of this power project at the expense of the consumer, but that this power should be developed as cheaply as possible and its benefits made available to the largest possible number of people.

All of us realized that any arbitrary charges which would become a part of the cost of the power production would merely be passed on to the consumer, no matter whether the power was used for fertilizer manufacture or distributed by a public utility or used in any form of manufacture. Such arbitrary charges are merely a form of taxation. We did not seek to tax the people of Alabama and Tennessee, but merely to obtain a fair return on the investment and at the same time passing on the benefits of this cheap power over the greatest possible area. We did not feel that this was necessarily accomplished by transmitting this power over a wire. On the contrary, it was generally appreciated that if this cheap power could be utilized for a large-scale production of cheap fertilizers in concentrated form that would stand a long haul by water or rail this was the way to make these benefits available to the greatest number of people.

NO PROSPECT OF FERTILIZER IN PARSONS'S PROPOSAL.

The offer of Charles L. Parsons was a proposal to purchase nitrate plant No. 1 for \$600,000 and lease the carbide and liquid air portions of nitrate plant No. 2 for \$50,000 per annum and to purchase the Waco quarry complete for \$200,000 or lease the same for \$20,000 per annum. Mr. Parsons made no promise that he would produce any fertilizer. Furthermore, he offered no definite financial responsibility, while the testimony is that nitrate plant No. 1 was not a success (Maj. J. H. Burns, Chief of the Nitrate Division, Ordnance Office, War Department, before House Committee on Military Affairs February 13, 1922, p. 208), and it had been estimated that an investment of some \$4,000,000 would be required to remodel the plant in order to make its operation possible (Major Burns before Senate Committee on Agriculture, April 12, 1922, hearings, p. 59). There was not even a statement in his offer that commercial fertilizers would be produced by Mr. Parsons or his company at all, Mr. Speaker, and the conviction was general in the committee that a mere offer to operate nitrate plant No. 1 as an air nitrogen fixation plant did not constitute a solution of the Muscle Shoals problem, for fixed nitrogen has many industrial uses wholly apart from its use in fertilizers. Since, at most, nitrate plant No. 1 was merely an experimental plant, with a capacity of only 9,000 tons of fixed nitrogen annually, the committee felt, Mr. Speaker, that the prospects for securing any reasonable fertilizer tonnage under the Parsons offer were very remote.

ENGSTRUM OFFER A COST-PLUS PROPOSAL.

We had an offer from Frederick E. Engstrum to construct the dams and to rebuild the nitrate plants on a cost-plus basis. He also agreed to operate nitrate plants "to the extent permitted by the proceeds of the sale of fertilizers."

The ones who made that offer did not intend to put in one dollar of their own money. They wanted to go into a partnership with us. They were willing to sell the electric power for us and to take their share of the profits. They were willing to manufacture fertilizer—at the expense of Uncle Sam! If any money was made, they took their share of the proceeds; if any loss resulted, they shared none of the losses. Uncle Sam shouldered it all. It was a case of "Heads I win, tails you lose."

These gentlemen were not even willing to add the proceeds from the sale of electrical power to the proceeds from the sale of fertilizer and then deduct the combined cost of producing power and fertilizer. They were very sure that there would be a profit made on the sale of power and a loss on the sale of fertilizer, and being very cautious gentlemen they were taking no chances.

Of course, the committee could not take such a proposal seriously. To read some of the newspaper accounts, however, one would imagine that this was an offer that meant the investment of real money for the operation of the nitrate plants by private capital; so it was; but it was Government money.

They did not guarantee to manufacture a single pound of fertilizer, nor did they guarantee to keep the nitrate plant No. 2 in a going condition for any length of time, to say nothing of 100 years.

Under this proposal, not only was there no guaranty of fertilizer production, but there was not even a good business prospect that any considerable amount of fertilizer would be produced. The committee felt that the Government had had ample experience with this class of contracts during the war and quickly consigned it to the wastebasket.

ALABAMA POWER CO. SOUGHT TO TAKE ADVANTAGE OF GOVERNMENT.

Our experience with the Alabama Power Co. in connection with the Warrior steam plant shows that we would be wise in having no further business dealings with them.

In brief, they had a cost-plus contract with the United States. They had not one dollar invested. The United States—I came near saying their own country; I had forgotten their foreign stockholders—made an investment of \$4,979,782.33 on their property. They acted as agents for their own country—I mean the United States. Their representatives inveigled or outmaneuvered, or something else, the ones who were supposed to be looking after our interests and got them into a contract by which we could sell to no one but them. On their part, however, they did not have to buy at our price but could ask for arbitration, they to select one man, we to select one, and the third to be selected by these two.

If two of the arbitrators were to agree on a fair price, their decision was not binding on the Alabama Power Co.; and in case they did not accept the decision of the arbitrators—and I want you to pay special attention to this—if they did not agree to accept the arbitration figures we would have six months in which to dismantle and remove our property from their land—property in which we had invested nearly \$5,000,000.

THE OPINION OF THE ATTORNEY GENERAL.

The committee found that the Alabama Power Co.'s methods had been well described by the Attorney General when he reported that—

No one can carefully analyze the long and rather complex contract made with this company without being impressed with the harsh and even drastic provisions which it imposes on the Government. When its intricate provisions are closely scrutinized and their full significance realized it becomes at once apparent that the company lost no opportunity of turning to its own advantage every possible change of circumstances.

This policy appears to have been adopted by the Alabama Power Co. throughout the whole course of its negotiations with the Government, Mr. Speaker. When called upon by General Beach to submit an offer for the Muscle Shoals project the company evaded a definite reply by saying that they were "about to construct an important additional hydroelectric development on the Coosa River"; and that "while it is true that the power thus secured will be completely absorbed and new sources required by the time the Muscle Shoals Dam could be completed," nevertheless "this company would scarcely be justified in depending upon Muscle Shoals to take care of even more remote demands." (Hearings before House Committee on Military Affairs, pp. 791, 792.)

POWER COMPANY DECLINED TO COMMIT THEMSELVES.

General Beach again brought the matter to their attention June 18, 1921, in a letter asking—

What power the Alabama Power Co. would desire or be willing to take from Muscle Shoals two years from this date, and also three years from this date, if one year's advance notice of actual date at which power could be delivered could be given and a satisfactory price is guaranteed.

The company merely referred to their former letter, explaining that they were about to develop 120,000 horsepower on the Coosa River "because it did not seem at all possible that the Muscle Shoals hydro development could produce any power during 1923 or 1924," and the company stated:

We must make our plans for several years in advance of actual power needs, and longer notice than one year in advance of actual date at which the Muscle Shoals power could be delivered would be necessary for this company to commit itself for the taking of definite amounts of power.

So, Mr. Speaker, this company was entirely willing for the United States Government to go ahead and construct the great power dam in their distributing territory because they well knew that there was no prospect of a market for any such amount of power, and they did not propose to relieve the predicament of the Government in any degree by committing themselves to purchase any portion of the power which the Government would find on its hands when the dam was completed.

POWER COMPANY MAKES OFFER TWO WEEKS AFTER FORD'S OFFER GOES TO CONGRESS.

When Mr. Ford made his offer for the Muscle Shoals project it was to the Alabama Power Co. like a bolt from the blue.

They instantly recognized that here was prospective real competition—competition which might result disastrously to their virtually complete monopoly of electrical-power business in the State of Alabama.

It seemed evident that an effective way to checkmate Mr. Ford at Muscle Shoals was simply to put in a competitive offer and secure its acceptance, and so on February 15, 1922, just two weeks after the Ford offer had been transmitted to Congress, the Alabama Power Co. made their proposal to the Secretary of War.

THE ALABAMA POWER CO. OFFER RECEIVED UNDER FAVORABLE CIRCUMSTANCES.

The offer of the Alabama Power Co., coming as it did to our committee with its alleged advantages, pointed out in detail by the Secretary of War and heralded by a controlled portion of the technical press of the country as an offer far superior to that of Henry Ford, why did it not receive more favorable attention at the hands of the committee?

It is true that they offered to complete Dam No. 2 and to install in the power house about one-quarter of the full equipment at their own expense, but they offered to do this under the terms of the Federal power act, which meant that we were donating to them the \$17,000,000 which we have spent on our dam, and at the end of 50 years we would find that if we wanted to get our dam back from the Alabama Power Co. we would have to pay for it out of the Federal Treasury, and no provision for an amortization fund was made by the Alabama Power Co. to provide us with means for buying back this property. Their offer meant, so far as the dam was concerned, that we solved the power problem at Muscle Shoals by giving our dam away. And as for their offer to purchase the steam power plant at Muscle Shoals, it was pointed out (House hearings, p. 632) that their apparent offer of \$5,000,000 had a "joker" attached which reduced the real amount offered to one-tenth of that amount, or \$500,000.

FERTILIZER PROVISIONS OF POWER COMPANY OFFER WERE CHEAP SKULLDUGGERY.

As for the operation of the nitrate plant for the production of fertilizer, the Alabama Power Co., with their characteristic legal shrewdness, carefully kept clear from this obligation. Did they propose to undertake the risk and expense that must be undertaken if the farmers are to be provided with cheaper fertilizer from the Muscle Shoals plant? You may depend upon it, Mr. Speaker, they did not. On the contrary they proposed no arrangement or plan for operating the nitrate plant, and their president who appeared before our committee flatly declined to get under this burden. (House hearings, p. 813.)

It is true that they proposed to donate 100,000 secondary horsepower to the Government to be used for the operation of nitrate plant No. 2 if the Government could find anyone who would undertake to use it for that purpose. But, Mr. Speaker, I have been in Congress for eight years; I have seen some pretty cheap skullduggery at times, but never in my experience have I seen a cheaper or more disgusting attempt to fool the public, and particularly the farmers, than this brazen provision in the offer of the Alabama Power Co.

What is secondary power? Why, Mr. Speaker, it is simply that part of the power that is furnished by the occasional high-water periods scattered through the year. It is power that is irregular and so unreliable that even when it is available for a total of as much as 10 months out of the year it has little or no commercial value, according to the joint statement of the four great southeastern power companies in their letter to the Chief of Engineers. (House hearings, p. 118.)

DONATION OF POWER A MERE GESTURE.

Even if the great plant could be run on such an irregular power supply, the donation of this power is a mere gesture on the part of the Alabama Power Co., Mr. Speaker. This power comes from the same power house, manned by the same force, that would operate the plant for the Alabama Power Co.'s own purpose. What would be the result? Why, Mr. Speaker, the cost of this power is merely an indistinguishable part of the power company's annual operating cost. The cost of this power is completely submerged in the cost of other power produced by this company, and whatever its cost may be that cost is borne not by the Alabama Power Co. but by their customers, for it is merely a part of the general operating expenses of the company which are passed along to the consumer.

DID THE ALABAMA POWER CO. EXPECT THE NITRATE PLANT TO BE OPERATED UNDER THEIR OFFER?

Did the Alabama Power Co., or did the special interests allied with them in their fight on the Ford offer—the fertilizer combination, the packers, and the by-product coke-oven interests—did these allied schemers expect to see some one come forward with a proposal to operate this great nitrate plant on secondary

power, even when they later offered to supplement it with 10 per cent of primary or continuous power? Of course, they did not, Mr. Speaker. They had no such idea, and they had no fears of the competition that might result from any such attempted operation.

But, Mr. Speaker, they knew that no offer which ignored the fertilizer possibilities at Muscle Shoals would be considered by the committee as an adequate solution of the Muscle Shoals problem, so they resorted to this cheap trick, hoping that because committees of Congress are not technical experts they, therefore, might put one over on us.

COMMITTEE NOT FOOLED.

But, Mr. Speaker, they did not fool the members of our committee. Every important provision was soon measured at its true value, and when the majority of the committee realized the responsibility that Mr. Ford squarely shouldered and which the Alabama Power Co. evaded in this plausible way, the committee set this company down as a lot of cheap tricksters, Mr. Speaker, and consigned their unworthy offer to the wastebasket along with the others.

FORD OFFER MET EVERY REQUIREMENT.

The Ford offer met all the requirements in every particular—not only met them but exceeded them. Mr. Ford agreed to maintain the nitrate plant No. 2, or its equivalent, ready for immediate use for the Government for the production of explosives for 100 years. How much would that cost? Nobody knows. Mr. Ford agreed to keep this nitrate plant up to date, for he agreed to research the most improved methods and to adopt these processes. How much would that cost? How often must nitrate plant No. 2 be rebuilt under such a guaranty? Nobody knows. Compared with such valuable obligations on the part of such a responsible party, the \$5,000,000 cash payment which Mr. Ford offered became an insignificant part of the consideration.

FORD AGREED TO OPERATE PLANT TO MAKE FERTILIZERS.

The outstanding feature, however, which recommended the Ford offer was his definite obligation to operate nitrate plant No. 2, or its equivalent, as a fertilizer plant to its full capacity. What did that mean? It meant, Mr. Speaker, that he would have to produce as much nitrates at Muscle Shoals as all American farmers together had been importing from Chile in normal years before or after the Great War. It meant nitrates enough to furnish nitrogen for 2,000,000 tons of 2-8-2 commercial fertilizer, and Mr. Ford agreed to make this fertilizer in mixed or unmixed form to meet the market demand.

VOLUNTARY LIMITATION ON PROFITS.

As is well known, Mr. Ford agreed to limit his profit on fertilizer production to a maximum of 8 per cent on the "fair actual annual cost of production," and provided a board of farmers to determine what was meant by the word "fair," and to examine his books and see what this cost of production has been. No pretense of matching this feature of the offer has ever been made by any member of the opposition. The fertilizer industry does not open its books to its customers, nor does it limit its profits to 8 per cent, and no amount of abusing of the Ford offer will blind our eyes to this fact.

CYANAMID PROCESS OBSOLETE.

When it is remembered that the cyanamid process is obsolete and that this great plant must be rebuilt before it can be successfully used commercially, and when it is also remembered that the small experimental plant was a failure, there is little wonder, Mr. Speaker, that bidders for this project were few and that none of them have agreed to the terms of the Ford offer. All they can do is to stay in their glass houses and throw stones.

NO EFFECT ON FEDERAL WATER POWER ACT.

An important part of this proposal to purchase, operate, and maintain the nitrate plant is the lease of the water power. The first objection about the water-power lease that has been raised by the opposition is the length of it, but, Mr. Speaker, if it is a good thing to use this power to reduce the cost of fertilizers to the farmers of the United States for a period of 50 years, I contend it is a good thing to use it for this purpose for 100 years, and as for the calamity to the Federal water power act, which has been freely predicted if the Ford offer is accepted, I want to say that I see no connection between the two. The Federal water power act has to do with strictly power propositions, and the operation of two hydroelectric plants under the Ford offer is accompanied by such heavy obligations that this project is in a class by itself.

FORD MORE SEVERELY REGULATED THAN ANY LICENSEE.

Does the Federal water power act require licensees to manufacture 250,000 tons of nitrate of soda annually? Does it require them to maintain the greatest nitrate plant in the world

in an up-to-date condition, ready for immediate use of the Government in time of war? Does it require them to limit their profit on their principal product to 8 per cent on the fair actual annual cost of production? Of course not. The Federal power act is confined to strictly water-power developments, and the acceptance of the Ford offer does not constitute a precedent which can be applied to any other water-power development, large or small, in the United States. If any other licensee is willing to undertake at his power site obligations that would be comparable with the obligations of Henry Ford at Muscle Shoals, then I want to say, Mr. Speaker, I am willing to give that licensee his license for 100 years also.

THE FINANCIAL RETURN FOR THE POWER.

Mr. Ford offers 4 per cent interest on whatever amount the Government has expended, since his offer was made, in the completion of the hydroelectric project, and provides annuities which applied to a sinking fund, as any other sinking fund is administered, according to the testimony of the Secretary of War (Hearings, p. 7) would return to the Government more than \$70,000,000 if invested at only 4½ per cent, and such a fund could be administered by the Federal Reserve Board at practically no additional cost to the Government whatever. As to those who say that Mr. Ford does not pay enough because he does not begin his interest payments in full as soon as the work of construction begins, I reply, who is paying the United States interest on its construction investment now? Who will pay the United States 4 per cent interest on this water power as soon as the dams are completed?

NO BETTER OFFER WAS MADE BY ANYONE.

Mr. Speaker, this is not time for theorizing. The dam is being built and no one has offered better terms than those of the Ford proposal. If it was so wonderfully profitable a proposition, if there were the millions and billions to be made out of it which the opposition has represented could be made, then why have the American captains of industry held back? Has American enterprise become indifferent to such a marvelous opportunity? Mr. Speaker, the question carries its own answer. It is not that the American capitalists are less enterprising than they ever were, but the marvelous opportunity for piling up these millions and billions of profit from the Muscle Shoals project is simply not there.

MUSCLE SHOALS AN OPPORTUNITY TO SPEND MONEY.

Mr. Ford does not need to go to Muscle Shoals to make money. He has several excellent plants for that purpose in Detroit and vicinity. Mr. Ford knows that if he goes to Muscle Shoals he must spend money and take large risks in the hope of accomplishing a great good to agriculture, and so he reasonably has withheld any promise to return 4 per cent interest to the Government until he has had a reasonable opportunity to rebuild the nitrate plants and to provide an outlet for the power which is being developed. He offers a fair return, but he surrounds his offer with those conditions which are necessary if the project is to have a reasonable expectation of financial success, and if it is financially unsuccessful then neither Mr. Ford nor the farmers nor the Government will secure the great benefits which we all expect.

NO POWER BONANZA FOR FORD AT SHOALS.

It was shown beyond question before the committees of Congress that more than 200,000 continuous horsepower, the bulk of the useful power at Muscle Shoals, will be required in the manufacture of fertilizer. (Maj. J. H. Burns in Senate hearings, p. 929.) If Mr. Ford builds storage dams and stabilizes the irregular flow of the river so that an additional amount of power is made useful, he must do this at his own expense, and what he does with such additional power concerns him alone, and I for one have no desire to dictate. But this Congress should understand, as our committee well understood, that because 850,000 horsepower of generating equipment are installed at Muscle Shoals it does not follow that 850,000 horsepower of electrical energy will become available for Mr. Ford or anyone else. No matter how much generating machinery is installed the power developed is limited by the flow of the river, and until the flow of the Tennessee River is equalized by great storage reservoirs it will require nearly all of the useful hydroelectric power at both dams, supplemented as required by the steam power, merely to carry out the fertilizer obligations of the Ford offer. The record on this point is clear for anyone to see who will examine it for himself, and the Ford offer is not a hard bargain driven by a sharp trade as the opposition has maintained, but it is an offer to take an abandoned, unsuccessful, and obsolete property and to utilize in its operation the flow of a stream which is one of the most irregular in the United States.

FORD'S OFFER THE ONLY ONE WHICH PROVIDED FOR THE PURPOSES OF CONGRESS IN BUILDING THE NITRATE PLANTS.

Summing up, then, there was only one offer before our committee which met the military purposes of the nitrate plant and at the same time made provisions for its greatest possible use to agriculture. From any angle the Ford offer is not only a favorable offer for the United States but it offers far more than this Government had any reason to expect, and if we will consult our own interests at Muscle Shoals we will accept Henry Ford's proposal without further delay.

S. 4280—RURAL CREDITS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have leave until midnight to file their report on the bill (S. 4280) relating to rural credits.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that the Committee on Banking and Currency may have until midnight to file their report on the bill (S. 4280) relating to rural credits. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Speaker, I am not advised; does the gentleman know whether there are any minority views?

Mr. MONDELL. I understand not, but the ranking minority member suggested that I submit this request.

Mr. WINSLOW. I should like to ask what is the subject matter of that bill?

Mr. MONDELL. Rural credits.

The SPEAKER. Is there objection?

There was no objection.

CHINESE EASTERN RAILWAY.

Mr. EDMONDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an article on the history and present condition of the Chinese Eastern Railway by Carl J. Mayer, our trade commissioner over there.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD for the purpose indicated. Is there objection?

There was no objection.

The article referred to is as follows:

[Special Report No. 36.]

HARBIN, MANCHURIA, December 3, 1922.

THE CHINESE EASTERN RAILWAY.

(Trade Commissioner C. J. Mayer.)

A favorable condition is observable in the maintenance, operation, and finances of the Chinese Eastern Railway for the period beginning early in 1921 up to the present time, as compared with 1914. The road is still in process of struggle against the dire effects of the Great War and the Russian revolution, but it must be recognized that it is finally commencing to disentangle itself from its position of severe and prolonged paroxysm.

Owing to the Great War and the revolution in Russia the Chinese Eastern Railway, which up to that time served as an artery connecting Russia with the Pacific Ocean, particularly from the military viewpoint, lost all Russian transit freight. In order to subsist it was forced to rely almost entirely on the transport of Manchurian grain. The railway before the Russian revolution was under State jurisdiction, State subsidy, and served State ends. After the revolution it was confronted with the necessity of solving the problems of management in accordance with new economic and social conditions.

The general economic policy of the Chinese Eastern Railway since 1921 has undergone radical change. It is the purpose of this report to present this policy as clearly as possible, the apparent reasons for its being, and its probable trend as it may affect future economic development in eastern Siberia.

THE RAILWAY BEFORE THE WAR.

The underlying motive for the building of the Chinese Eastern Railway was to tie the Ussuri Railway with the Trans-Siberian Railway and its Trans-Baikal branch for strategic purposes. Commercially it was designed to be common carrier of transit freight and of exports of Russian manufactures and raw materials to Manchuria and other countries. Transportation for products of Russian origin was made cheap on the railway, so that they could compete in the Manchurian market, while tariff barriers were erected for competing foreign commodities.

It was considered by the Czar regime that the Chinese Eastern Railway should, in the first instance, serve the general political and economic aim of the Russian Empire and that all other considerations should be made subservient to this end. There were introduced as a consequence special reduced rates on the railway giving preference to Russian commodities. These rates brought losses to the railway, and in itself it never balanced income with expenditure. Under the old Russian Government the railroad depended on subsidy, and from the commercial standpoint was not a paying proposition.

The traffic of the road practically from its beginning took the form of export as the most important factor, increasing from 1906 to 1913 by 11 times. In 1906 the export traffic of the railway was 12.8 per cent of the total traffic, and in 1913, 47.6 per cent. The principal route of this traffic was via the Ussuri Railway to Vladivostok, while the export via the South Manchuria Railway to Dairen had not yet become an important factor in the operations of the road.

Maintenance of way, rolling stock, and all accoutrements of the road were before the war kept up in good fashion, though at expenditure out of proportion to revenue, for the reasons above outlined.

DURING THE CRISIS.

When the anti-Bolshevist forces were warring in Siberia, in 1919-20, against the Bolsheviks, a great burden fell upon the Chinese Eastern

Railway. It was expected that by the utilization of the road anti-Bolshevist success in Siberia would result, and there was built in the railway zone a Russian State in which military staffs and troops were prepared to fight the anti-Bolshevist cause. The then railway administration inaugurated at Harbin several State institutions of military and civil character and included some of them into the management scheme of the railway.

When the hopes of the anti-Bolsheviks were blasted with the fall of Omsk, when the Russian ruble fell so disastrously in 1920, and the world witnessed a general economic depression, a period of disorganization, disuse, and neglect set in for the Chinese Eastern Railway. Freight traffic almost completely collapsed. Communication with the Japanese and Chinese railways had been discontinued, and communication westward from Manchuria ceased entirely, the then administration believing also that resumption of this traffic from Manchuria would be politically dangerous. Freight traffic to Vladivostok declined heavily. In the meantime the Chinese cart traffic along the railway increased by leaps and bounds, so much so that in 1920 it reached the startling figure of 62,000,000 poods, more than 50 per cent of the total grain export of the territory.

The coffers of the railway were empty. Although high freight rates were in force, no profits were derived, because collections could be made only in depreciated paper currency, and traffic was at a very low ebb. Prices for fuel rose to such outrageous figures as 60 gold rubles for 1 square sazhen of firewood and 24 gold kopecks per pood for coal. The indebtedness of the road to fuel contractors reached 20,000,000 gold rubles. Exchange operations on rates of paper money caused speculation by commission agents of the railway, to its great detriment. Corruptive practices by officials of the railway were common. The indebtedness of the road to the interrelated technical board and purchasing committee reached several million dollars. Indebtedness to employees became a chronic disease. An enormous staff of employees and workmen, causing terrific overhead, was on the pay roll of the road. This personnel, too, apparently became demoralized and lost its balance as to its duties and responsibilities. The railway was lacking a controlling hand and every department attempted to regulate its affairs, without any basic plan or estimate as it deemed best.

Technical decay also set in. The conditions of track, rolling stock, and general operation became deplorable. Material management of the track was subject to many abuses, owing to lack of supervision. Hauling of trains was subject to irregular distribution of locomotives, which caused waste of power, and to technical defects in rolling stock owing to neglect. The destruction of the property of the railroad amounted to many thousands of dollars.

THE NEW MANAGEMENT.

After the overturn in Russia China was desirous of fortifying her rights to the Chinese Eastern Railway. The Russo-Asiatic Bank, because of its formal rights to the railroad, raised a protesting voice, which resulted in the signing of an agreement between representatives of the bank and the Chinese Government on October 2, 1920, whereby the legal authority over the railway was acknowledged to belong to a board of directors consisting of equal representation by Chinese and Russian members. It was decided that the railway immediately needed a strong controlling force to pull it out of its plight. This decision resulted in the assumption in February, 1921, of the general management of the road by B. V. Ostroumoff, an energetic and prominent Russian railroad engineer.

As the Great War served to connect north Manchuria with the world market when prices on this market fell at the end of 1920 the effect was acutely felt by the country, especially since it had lost virtually all connection with Russia's markets. Trade and industry came to a standstill. Prices on commodities for export in Manchuria fell to such a degree that the Chinese Eastern Railway was a heavy loser. The rates charged for the transportation of this export lost all proportion to the prices prevailing on foreign markets. In the meantime the railroad was also confronted with the task of combating Chinese cart traffic, which had suddenly sprung up to pretentious proportions. The cart system was handling both export and import.

In 1913, 15,000,000 poods of export grain were handled by this traffic via Chang-Chung. In 1917 it increased to 25,000,000 poods and in 1919 to 50,000,000 poods. When the figure reached 62,000,000 poods in 1920, it was considered by the management of the railway that unless steps were taken to combat the situation the railway would be doomed to serve merely as an auxiliary to the cartage system, and a revision of tariffs was considered the paramount problem.

The tariffs of the railway up to this time were based mainly on those established in 1908, which were doubled in 1920, owing to increased cost of operation. Up to December of that year Russian paper rubles were accepted in payment of freights, and the increase in tariffs met with little objection until the acceptance of these paper rubles was discontinued after December 4, 1920. The traffic of the railway then experienced its slump. This was during the season when shipments invariably are the heaviest of the year. The transportation of grain on the railway almost ceased, while transportation by carts increased to the high figure above mentioned.

The first revision of tariffs on the railway went into effect in March, 1921, under the new management, with a view to attracting traffic. This move resulted in a remarkable increase in traffic. In February, 1921, the traffic was 5,000,000 poods; in March, 11,200,000 poods; in June, 16,900,000 poods; and in December, in the height of the grain-shipping season, 17,500,000 poods, a figure greatly in excess of any previous monthly traffic record in the history of the railroad. The competing cart traffic was enormously lowered.

With the gradual revision of the rates on all principal classes of commodities the railway took a new lease on life. It transported in 1921, 126,149,527 poods of freight. This figure, in view of the fact, also, that the Russian market was cut off, breaks all previous records on the railroad. The income of the road amounted to 39,785,677 gold rubles in 1921, as compared with 33,302,494 gold rubles estimated revenue for the year. In the meantime the cart system handled about 5,000,000 poods of cereals, as against 30,000,000 for the corresponding period of the year previous. Exports increased by 49½ per cent and imports by 29 per cent over the preceding year, while for certain classes of commodities, such as beans, the increase in comparison to the previous year ran as high as 145 per cent. Exports to Vladivostok were 3,175,460 poods in 1920, and increased to 23,403,418 poods in 1921, while in the next half year of 1922 the figure had already reached 20,000,000 poods.

At the same time the policy of reducing the tariffs was inaugurated a program of economic reconstruction of the railway was put into force. The main features of this program included reducing expenditure by

the gradual discharge of superfluous employees and the instilling of esprit de corps into the employees remaining. The deteriorated condition of the railway made it imperative to make certain capital expenditures in improvement of rolling stock and way in order to properly handle the increase of traffic. Such improvements were calculated to permanently enhance the valuation of the property.

Comparison of 1921 figures as to the financial condition of the road should be with 1914, the nearest normal pre-war year. At that time the railway had no burden of military and political events. Comparison with 1920 is also not feasible in order to obtain a correct idea of the financial condition of the road at the end of 1921, for the reason that it was operative in 1920 under paper currency and since 1921 under gold currency.

In comparison to 1914 the gross income of the railway is officially given out as increased by 76 per cent and the expenditures as increased by 120 per cent. This great discrepancy between increased revenue and expenditure is due to the enormous undertakings incident to the reconstruction of the road. The cost of fuel, one of the big items of expense in the maintenance of the road, for instance, while having been greatly reduced from the figures of 1920, in 1921 was 29.44 gold rubles per 1 cubic sazhen, as compared with 13 to 14 gold rubles in 1914, and from 10 to 17 kopecks for one pood of coal, as compared with 31 kopecks in 1914. High wages incommensurate with the productivity of labor were also a burden on the finances of the road in 1921 as compared with 1914. It was not until 1922 that the new management succeeded in scaling wages in accordance with production.

While showing a deficit, the analysis also shows that the reforms instituted on the Chinese Eastern Railway were calculated to demonstrate and vindicate themselves not immediately, but after an extended period of time. All indications point to such vindication within a comparatively short period from the present. The analysis shows as well that notwithstanding enormous handicap the new management succeeded in increasing the net income of the railway to the level of pre-war time. It placed the traffic operation of the road, which is the backbone of the railroad business, not only in an immeasurably improved condition, but also on a good foundation for the future.

THE PRESENT ECONOMIC POLICY.

The tariff measures taken by the administration of the Chinese Eastern Railway in the beginning of 1921 were calculated to cope with an immediate problem, but these measures were, of course, subject to change, in accordance with a general basic tariff policy to be worked out later.

The first step of the railway management toward the creation of such a general tariff policy was to organize the economic bureau. The essential task of this bureau was to study economic conditions and to make available facts and figures regarding this condition. The economic bureau reported the fundamental fact that North Manchuria produces annually 660,000,000 poods of raw materials, 220,000,000 poods of which constitutes a surplus. It was, therefore, deemed that the tariff policy of the road should be based around the idea that the railway should attract all the surplus production of North Manchuria. Summed up, the following general policy was evolved, which, as will be explained later on in this report, has been subject to serious change, owing to political developments in the maritime Province of Siberia near the close of 1922: (a) To combat the competition of cart transportation; (b) to support and foster local industries; (c) to construct grain elevators; (d) to organize facilities for the pooling of grain, beans, and bean oil; (e) to foster imports through Vladivostok by means of liberal rates on imports; (f) to increase exports via Vladivostok.

The railway by virtue of an agreement entered into with the South Manchuria Railway regarding freight rates began to find itself in a peculiarly unfavorable position. At the 1921 conference between representatives of the South Manchuria Railway and the Chinese Eastern Railway the latter road obtained such beneficial terms that the former intended to cancel the agreement before its expiration. Owing to this agreement the South Manchuria Railway was obliged to make a reduction for the period November 1, 1921, to May, 1922, of 34 per cent on the usual rates for grain coming from stations of the Chinese Eastern Railway to Yaomin. While there was, therefore, a reduction of rates in the through traffic, the rates on the local traffic of the South Manchuria Railway remained unchanged. This caused the transportation of grain by carts to Chang-Chung and other neighboring stations of the South Manchuria Railway to be fruitless. The agreement on account of its apparent one-sidedness was canceled upon its expiration.

The representatives of the South Manchuria Railway declared at the conference held in Chang-Chung in June, 1922, with representatives of the Chinese Eastern Railway that all special reduced rates on through traffic of the Chinese Eastern Railway could no longer be granted, and terms were agreed upon by which it was calculated rates would be equalized on the Chinese Eastern Railway in both directions of the line, namely, to Dairen in the southern and to Vladivostok in the eastern.

In a report dated September 4, 1922, to the board of directors of the Chinese Eastern Railway, B. V. Ostroumoff, the general manager, confidentially stated as follows regarding the new agreement concluded with the South Manchuria Railway in June, 1922:

"In the years 1918-1920, a period of downfall, when the railway was unable to transport the total amount of freight and congestion of traffic was a frequent occurrence, the transport of freight by carts was carried on in the shortest directions up to the point from whence further transport was easy for purposes of export, namely, to Chang-Chung.

"The traffic by cartage withdrew from the railway more than half its grain freight, this amount during the season of 1920 being 62,000,000 poods.

"The railway itself in transporting as well as it could manage the remaining 44 per cent of the grain freights likewise directed the freights along the southern line as the shortest and most available one in point of service.

"The railway did not start immediate transport of freights and, disregarding the terms of the season for transportation, continued the same work during the years 1920 and 1921.

"Owing to the inadequacy of the facilities of the railway, to the lack of shipping facilities, transport in the direction of Vladivostok, notwithstanding the favorable correlation of the tariff rates, which during all these years of the downfall of the activity of the railway, including the year 1920, was two and one-half times cheaper by pood-verst in the Vladivostok direction than in the southern direction, fell to the amount of 3,000,000 poods.

"Thus, the transport service of the western line, up to the time of my taking up the management of the railway, was as regards passenger and freight traffic less than 10 cars per day. During the whole month of December, 1920, there were transported in the Vladivostok direction 30 cars, and during the month of January, 1921, 19 cars.

"Two problems lay before me from a commercial point of view, as well as from consideration of the technical and economic aspect. These were: (1) To regain to the railway the maximum of freight traffic; (2) to reestablish activity on all the branch lines of the railway, both on the eastern and southern lines, and lastly on the western line.

"These problems were, and always are, uppermost in my general plan of all measures to be taken for the betterment of the railway, and I submit them among other questions to the enlightened attention and for the decision of the board of directors.

"Further development of these problems would be: Contending against transportation by carts; reestablishing railway traffic to Vladivostok; developing communication with the West and undertaking all measures for the establishment of transport facilities to the profit of trade and industry.

"So as to facilitate the work of the railway all appertaining lines should develop transportation activity to the highest point, and in accordance with their possibilities take up the freights of the Chinese Eastern Railway.

"When, during last year, it was found that, thanks to those tariff rates which were then established and to different technical and economic measures undertaken by the railway, freights were again regained to the line in all directions, I took care that all the lines should be prepared for the needs of transportation service during the winter season of 1921-22, so that freights could be accepted from shippers without delay.

"It was formerly supposed that during the first year it would be possible to transport to Vladivostok 12,000,000 poods. But, as a matter of fact, the reinforced activity of the railway in the Vladivostok direction, the perfected conditions at Egersheld, the cheaper tariff for reshipment at that port, the advertising of all advantages of the railway resulted in that about 25,000,000 poods were transported to Vladivostok. Also, there was introduced a new way of transporting bean oil by the use of tanks.

"Along with this, the administration took care to reestablish the crossing stations which had been destroyed on the southern line owing to the Japanese war, to lay out a whole series of new railway lines at the stations of the southern line, to demand of the South Manchuria Railway that it should take over up to 700 cars of freight daily against the former amount of 160 to 170 cars. These developments made it urgent to reconstruct both the stations of Chang-Chung and Kouanchendze.

"These measures, as proved by the following transportation season, were absolutely requisite. On some days the export service demanded up to 900 cars, of which number 250 cars were directed eastward and 650 cars southward.

"The increase of freights via Vladivostok was regarded with apprehension by the neighboring railway, and all measures were taken so as to impede export via Vladivostok. In spite of this the administration of the railway contended with all the difficulties lying in its way to the purpose of achieving further development of the Vladivostok traffic.

"As matters stand at the present time, even with that additional work which has been carried out during the summer season and which is now nearing its end, the carrying capacity of the eastern section of the line is 300 to 320 cars and of the southern line 700 cars daily. Thus, the maximum carrying capacity of the railway per day is on an average 1,000 cars.

"The transport service of last year has proved the excessive tension of the work, even at the time when figures were slightly on the decrease, namely, 250 cars in the eastern direction and 650 cars southward.

"I firmly hope that the results obtained during the previous year and the additional preparation undertaken in the current year will allow us to accomplish unbroken export traffic during the winter season to the extent of 1,000 cars per day.

"If it happens that it should be necessary to transport 700 cars to Vladivostok daily and 300 cars to the south, the results would be that on the eastern line there would be a congestion of traffic amounting to 400 cars daily, while the same number of cars would remain unbenefited by the southern line. Besides this, the returns of the railway would show figures lower than those of the estimates, these being figured out quite correctly in accordance with the maximum carrying capacity of the different parts of the line.

"In order to give possibility to the eastern section of the railway to carry on work under the existing unfavorable conditions politically in Vladivostok, the Chinese Eastern Railway was forced to agree to leaving a less profitable rate for the eastern direction, which is one thirty-fifth kopeck per pood-verst against one-fifteenth kopeck on the southern line for the transportation of beans.

"In the whole range of the activity of the railway it is not only possible but it is necessary to be reconciled to the fact that the sending of each pood of freight in the eastern direction gives a net profit of 5 kopecks less as against the sendings in the southward direction.

"It is necessary to uphold the traffic to Vladivostok not only on the ground of the above-mentioned consideration and for the regularity of the service on the whole length of the line but likewise so as not to be left—with the single exit in the southern direction, via Dalren—in a state of dependence regarding the South Manchuria Railway. But to consider that the eastern direction is more important and more desirable for traffic than the southern direction would be erroneous, not only because of what has been hereinabove stated as to the through carrying capacity of the railway but also because of economic returns. Thus, when during the previous year at the sixth conference we had to stand up in defense of reestablishing traffic service in the direction of Vladivostok we were opposed to an increase of tariff rates to Vladivostok.

"But as a result of measures undertaken by us and owing to menaces on the part of the Japanese to increase, beginning from the month of April, the favorable anticart tariff of the through traffic of the Chinese Eastern-South Manchuria Railways it was found that exporters decidedly turned all shipments toward Vladivostok. At the time of the seventh Chang-Chung conference matters stood in such a state that 53 per cent of the whole amount of the export was directed to Vladivostok and only 47 per cent south.

"These facts, resulting in excessive increase of export to Vladivostok, were most disadvantageous to the railway, and the loss to

the railway already amounts to about 3,000,000 rubles, with an average decrease of returns per pood-verst of from one-seventh to one twenty-first.

"For the future, if such influx of freight traffic in the Vladivostok direction continues, it is likely that we shall have a considerable deficit of returns against the total amount of earnings as per estimate and also that we shall find ourselves under the embarrassment of not being able to fulfill all export requirements, which will result in congestion of traffic and of great loss to shippers, who would in that case all make their claims.

"All this was clearly foreseen by me before the seventh Chang-Chung conference, and as I reported to the board of directors just before my departure it was absolutely necessary to put a stop to the extreme increase of the influx of freight transportation in the Vladivostok direction and also to establish normal conditions of traffic to the south. We ought really to have done this without any conference at all, so as not to diminish the returns of our budget. But the moment of the opening of the conference proved favorable to us, inasmuch as we succeeded in putting to profit this increase of tariff rates to Vladivostok by giving it out as a grant to the South Manchuria Railway at the same time conserving in force the anticart tariff No. 31, and even getting it under our own control, by which the South Manchuria Railway has paid us the cost of her participation in this arrangement.

"As the attempts to obtain decrease of influx of transportation of freights to Vladivostok had to be dealt with cautiously so as not to be in error on the reverse and to avoid weakening Vladivostok activities, it was suggested at the conference that tariff rates should be increased first from Harbin only, leaving aside the arrangements of the western line.

"When the representatives of the South Manchuria Railway insisted that this increase should also include in the arrangement the station of Anda, we refused this point, leaving ourselves free to act as would be best concerning this station.

"The two months following the close of the conference have proved that the increase of the tariff rate from Harbin is a measure still insufficient to regulate as desired the transportation traffic in all directions and that it is necessary to establish the same increase of tariff rates for the stations of the western line. The result of this measure would be that the deficit of returns of the railway in the eastern direction would be lessened and that normal percentage of exploitation in the southern direction would be reestablished.

"I consider that the necessity, the advantageousness, and the correctness of all these measures settled at the Chang-Chung conference are not to be doubted. We merely availed ourselves of an opportune moment for deciding on these arrangements which were absolutely necessary and unavoidable to introduce even without the help of the Chang-Chung conference.

"Returning to the question of the projected raising of the tariff rates in the Vladivostok direction, I must point out that the measures which are necessary to be established coincide with the insistence of the Chinese merchants of Harbin and of Fudziadzan, and that the Chinese authorities consider that these insistent requests should outweigh the remonstrances advanced by the merchants of Anda.

"I am of the opinion, therefore, that we can effect this increase by presenting it under the form of our yielding in the question in favor of the interests of such an important trading center as Harbin.

"As this arrangement coincides with the desire of the South Manchuria Railway, it would, perhaps, be better to exact a certain compensation from the South Manchuria Railway for the introduction of this measure, which compensation could be exacted on the lines of localizing transportation by carts and of contending against the turning away of the freight along the main line of the railway in favor of cartage transportation."

At the time of the seventh Chang-Chung conference close much criticism was expressed regarding the policy of the Chinese Eastern Railway toward the South Manchuria Railway. The fear was expressed that the Chinese Eastern Railway had virtually sold its birthright to Japan, and that it was the aim of Japan to gradually absorb the whole of north Manchuria by getting control of the Chinese Eastern Railway and replacing the track by its own narrow gauge. However, this criticism has since been dispelled, and it seems that the merits of the Chang-Chung agreement are being recognized. Japan evacuated her troops, and in the meantime a new element entered into the general situation when the Russian Soviet Government took over the maritime province of Siberia, which would indicate that any fears regarding Japanese aggression in north Manchuria at this time are groundless.

After the Chang-Chung conference the percentage of hauls in the eastern direction continued quite normally until September, 1922, and the succeeding months. However, it is claimed by the management of the railway that in practice the Chang-Chung agreement would have benefited Vladivostok in accordance with the plan that it assume its proportion of freight traffic in accordance with its maximum carrying capacity, had not the new political condition in Vladivostok intervened.

In order to increase freight traffic on the western line, negotiations were entered into by representatives of the Chinese Eastern Railway with those of the Chita Railway concerning through passenger and freight traffic. A number of meetings were held by the representatives of both railways, in the course of which a member of the inter-allied technical board played a prominent part. It was decided that the Chita Railway should send to the Chinese Eastern Railway a certain stock of freight cars, and that communication be established. The Chinese Eastern Railway would not undertake responsibility as to further passage of freight beyond the Chinese Eastern Railway zone, but proposed that the Chita Railway deposit a certain sum in metal currency in one of the foreign banks in Harbin, upon whose warrant the shipper might be able to feel assured as to the security of shipment. The agreement was closed but not ratified on the part of the Chita Railway.

After the Russian Soviet Government came into power, at the close of 1922, in the maritime province, which up to that time had been ruled by a "white" government, another serious change to hamper the economic policy of the Chinese Eastern Railway took place, the eventual outcome of which is problematical.

The Russian Soviet Government in December commandeered Egersheld, Vladivostok, which by an old imperial order was given over for the use of the Chinese Eastern Railway and used by the latter ever since. Egersheld consists of 42 warehouses and 5 piers. The capacity of the warehouses is approximately 5,500,000 poods of freight. The

seizure meant that the Chinese Eastern Railway was not considered by the Soviet Government as having further authority or ownership over this section of the port of Vladivostok and that the railway would lose its revenues from that source.

Within a week from the seizure export via Vladivostok greatly fell off. Harbin exporters expressing great alarm over the new situation, and all parties interested being quite at sea as to how to cope with this seeming overt act. Although calm though would indicate that some amicable arrangement might be reached whereby the Chinese Eastern Railway and the Soviet Government could agree on continuation of through traffic, another element arises which gives doubt to such a possibility on the part of the Chinese Eastern Railway interests. This element consists in the fact that the Soviet Government of late demanded that the Chinese authorities turn over the railway to the Russian Government and made loud protestations against the present management. This was considered for the most part as a bluff until the seizure of Egersheld took place, but has assumed a more serious aspect since. It is believed certain that if the Russian Soviet Government were reasonably assured of the success of the plan, it would seize the Chinese Eastern Railway.

Thus, again, in the height of the grain-shipping season of north Manchuria, export via Vladivostok has been seriously curtailed and a new problem has confronted the railway management. The comparative progress of the Chinese Eastern Railway since 1921 is bound to suffer a serious setback unless proper measures are found to adjust the situation.

TECHNICAL CONDITION OF THE RAILWAY.

In studying the expenditure estimates and the work of the Chinese Eastern Railway in 1921, a series of productive technical improvements is noticeable, as well as a systematic reduction of expense, due to the cooperation of the inter-allied technical board and the management. Official figures show a reduction of expenses for 1921 as against 1920 by about \$7,000,000, with a simultaneous increase in the operation of the road from 77,955,571 of pood-verts in 1920 to 85,244,247 of pood-verts in 1921. The staff of the railway was considerably cut down. In 1920 11,340 persons were employed by the road and in 1921 this figure was reduced by 10.78 per cent. Since 1922 the management has introduced measures to further adjust the number of employees of the road to the minimum required for its proper conduct. A close touch has been kept by the general manager of the road with its rank and file, his practice being to frequently make personal trips of inspection. Repairs of track, buildings, rolling stock, workshops, and buildings were effected to such a degree as to leave little doubt that the technical condition of the railway has been immeasurably improved.

THE TRACK.

The condition of the track and other equipment of the Chinese Eastern Railway and the shortage of funds at the disposal of the management in 1921 made it a very difficult task to properly improve the matter. It was decided that the plan for improvement of the situation should systematically cover a period of years.

In 1921, 84.29 versts of track were replaced by new rails and about 9,000 cubic feet of ballast removed. The southern line over a stretch of 110 versts was ballasted with crushed rock. Sidings were built at the Harbin terminals, wooden bridges replaced by stone, the Sungari River banks reinforced, lots raised, etc. The improvements effected on the track in 1921 permitted an increase of speed of trains, the average now being for mail and passenger trains from 65 to 70 versts per hour. In 1922 further improvements on the track made a decided change. Drainage was laid underneath all junctions, the ballasting with crushed rock of the southern line, and the ballasting of a great portion of the main line having also been completed.

BUILDINGS.

A similar program for the improvement of the buildings of the railway was put in force in 1921. It was deemed that to begin with preference should be given to repair of buildings having service importance and destined for public use. Passenger waiting rooms, premises for officials on duty, schools, clubs, roundhouses, as well as dwellings of employees were repaired. The management also revised the dwelling-allotment system so that the number of homeless employees of the road was decreased by almost 50 per cent and the evils of favoritism eliminated. This work was further extended in 1922.

FREIGHT AND PASSENGER SERVICE.

With regard to passenger service, the improvements effected since 1921 are beyond all comparison with 1920. Mail trains were provided with electric lighting, dining cars, and sleeping cars. A train de luxe was also put into operation.

The schedules of movement of passenger and mail trains were radically changed. The stopping time at stations was reduced and the interstation speed brought up to 65 versts per hour on the main line and 70 versts on the southern line. Traveling time for mail trains from Manchuli to Pogranichnaya was reduced by 7 hours and 55 minutes, and from Harbin to Chang-Chung by 1 hour and 45 minutes. The practice of dispatching trains on time became strict law.

The improvement of the freight service of the railway is well proved by the fact that it handled with success the tremendous requirements of the exporting season of 1921. In December, 1921, the monthly figures of freight operation broke all records with a daily average of 1,029 cars. This operation was made possible by speeding up repair of cars. In October, 1921, the percentage of cars needing repair was only 15 per cent. The loading capacity per axle rose from 372.37 in 1920 to 417.94 in 1921. The average daily haul of a working car increased from 34.38 in 1920 to 39 in 1921. The turnover of a working car declined in 1921 by 0.1 for 24 hours as against 1920. In connection with the freight service a redistribution of locomotives took place in order to respond most efficiently to the current of traffic. This resulted in an increase of the composition and net weight of freight trains. In 1920 the composition of freight trains averaged 28.54 cars, the net weight of the trains being 16,729 poods, but in 1921 the average composition of freight trains increased to 34.47 cars, the net weight being 19,992 poods. This average increased in 1922. The amount of freight carried increased by 26 per cent as against estimates. Freight trains became subject to the same strict surveillance as to schedules as the passenger and mail trains, so that the commercial speed was raised from 12.78 versts per hour in 1920 to 13.90 in 1921. The personnel of the traffic department was reduced

in accordance with demand. In 1920, 3,368 persons were employed, but only 2,609 were maintained in this department in 1921. In July, 1922, this number was reduced to 2,215.

The following table of official figures gives a comparative idea of the work of the freight service of the railway in 1920, 1921, and the first six months of 1922:

Year and month.	Speed.	Turn-over of a working car.	Net weight of a freight train, poods.	Loading per axle.		Per cent-ge of haul of empties to total hauling.	Com-position of freight train by axles.	Haul of work-ing car.
				Loaded car.	Loaded cars and empties.			
1920.....	12.78	10.8	16,729	372.87	250.85	37.5	67.56	34.38
1921.....	13.90	10.7	19,992	417.94	254.15	39.4	79.17	39.00
1922.								
January.....	10.2	12.8	21,178	472.08	294.10	33.4	75.14	37.1
February.....	12.7	10.3	19,333	452.89	259.89	39.0	77.35	47.5
March.....	15.7	7.6	20,069	395.70	268.04	27.7	79.18	51.6
April.....	16.0	7.5	22,886	405.74	280.47	28.0	85.69	47.4
May.....	15.8	7.3	24,936	417.94	296.86	29.4	87.12	46.4
June.....	15.9	7.2	25,679	420.99	297.70	25.4	88.87	44.0

ROLLING STOCK AND FUEL.

In 1921 capital repairs were effected on 79 locomotives instead of 65 as provided by the estimates for the year, the average number of locomotives turned out per month being 4 to 9 as against 1 to 5 in 1920.

The expenditure for fuel for locomotives, according to official figures, declined in 1921 as compared with the previous year, as follows:

Firewood, cub, sajen:	
1920.....	51,305
1921.....	46,851
Coal, poods:	
1920.....	18,601,075
1921.....	13,597,262

Thus the consumption of firewood declined by 6.7 per cent and that of coal by 26.9 per cent. On the basis that the consumption of coal converted into the equivalent of firewood exceeds the latter by more than one and one-half times the general percentage of the reduction of fuel consumption by locomotives is figured at 18 per cent. The operation of the railway expressed in millions of gross pood-verts increased, according to the official figures, by 13.7 per cent in 1921, as compared with the previous year, yet a reduction of the haul of locomotives was effected amounting to 9.15 per cent in 1921 as compared with the previous year. The consumption of lubricating oils was also considerably reduced by an enforced control and the introduction of a bonus system. The following table shows the consumption of lubricants in pounds for 1920 and 1921:

For 1,000 versts haul:	
1920.....	13.56—18.24
1921.....	9.68—14.86
For 1,000,000 pood-verts:	
1920.....	233.8—311.1
1921.....	204.8—270.0

Repairs of cars, according to the new system inaugurated in 1921, meet the same requirements which existed in pre-war times. The productiveness of the chief workshops rose from 1,426 cars in 1920 to 2,624 cars in 1921. In the shops superintendents were required to check exactly and in time the cost of a unit and to economize all expenses.

However, the greatest items of economy in expense were obtained by a reduction of the cost of supplies and by their more careful consumption. Fuel prices had reached an abnormal height, and its supply was monopolized by certain interests fighting the railway. Expenses for fuel in 1920 reached the exorbitant figure of 38.3 per cent of the whole expenditure of the railway budget. Through rigorous measures the management succeeded in remedying this situation, according to the following official figures:

	Quantity firewood for locomotives (cubic sagene).	For other.	Quantity coal for locomotives (poods).	For other.	Total cost in rubles.	Percent-age to total expendi-ture under es-timates.
1920.....	51,306.70	115,150.50	18,601,075	7,137,688	18,035,961	38.3
1921.....	46,851.78	70,497.81	13,597,262	6,411,107	8,740,695	26.9

REVALUATION.

The railway management in 1921 readjusted the prices of its stocks which had previously been marked down by varying abnormal high prices of preceding years. The process of the general decline of prices, which for several classes of materials even meant a return to pre-war figures, led to a divergence between market prices and prices of materials stored by the railway which was so marked that an invoicing based on previous prices, according to the management, would have meant a fictitious increase of revenue which would have prevented a regular completion of the provisions of the estimates and a regulation of expenses. The management thus considered it correct to reconsider the value of all stocks of materials according to actual ruling prices and to calculate the difference arising from such reduction of the working capital. It was considered that this loss item was fictitious and merely registers the previous actual losses sustained by the road when it paid abnormal prices for materials in former years, which no doubt, in a large measure, is true.

The result of the reconsidered valuation of stocks of the road is shown by the following official figures:

	Profit.	Loss.
	Rubles.	Rubles.
From readjustment of prices.....	51,938.14	2,758,927.04
From adjustment of nomenclatures and prices under estimates.....	159,343.67	160,491.07
Total.....	211,301.81	2,919,418.11
Balance.....		2,708,116.30

In so far as the railway had used in 1921 materials with readjusted prices; it is considered to be relieved of a fictitious exaggeration of expense.

CONCLUSION.

In any forecast of the probable rôle of the Chinese Eastern Railway in the future of Siberia it must be borne in mind that the present policy of the Russian Soviet Government is to secure control of the railway. The Chinese Government is and has been controlling the road since 1920, and the contention of the Chinese Government is that it should be returned to none but a recognized Russian Government. The exact future status of the road, therefore, is difficult to determine.

If the Soviet Government succeeds in its aim to control the railway and adopts the high-handed procedure of red tape and vacillation which characterizes its present economic measures, undoubtedly the road will for a time at least fall into its old deplorable state and economic benefit to Manchuria and Siberia be impaired.

It is interesting to note the outstanding fact that since the present management assumed control the life of the railway has been dependent solely upon Manchuria. The normal function of the road includes Siberia, and under improved and intelligent management this function admits of enormous economic development. The present management, in view of the recent political change in East Siberia, has been quick to see the probable results of this change as it might affect the railway, and negotiations are now being conducted with soviet authorities as to the possibilities of cooperation in operation of the line. It has even been suggested by the management that the Soviet Government have representatives on the board of directors of the railway. Provided, of course, that the Soviet Government took a conciliatory attitude and placed faith in a scheme of cooperation, the results of any such arrangement would be probably very beneficial. At the present time the result of these negotiations is an unknown quantity. On the surface, little faith can be placed in any conciliatory attitude which might be assumed by the Soviet Government, in view of its recent action concerning Egersheld (see special report No. 37) and its pronouncements at Peking, yet the Chinese Eastern Railway hopes that the action will be rescinded and the way paved for better relations, and it is working hard to accomplish this end.

Aside from the complications arising from the recent political change in East Siberia, notwithstanding the indebtedness of the road to foreign powers, if the present management were to have the good fortune to continue for another period of two years, there can be little doubt but that the measures it has adopted to improve the road would be amply justified. It is recognized that the general manager of the railway has been readjusting its affairs and redeeming part of its debts. This has been carried on under stress. The road went into a period of convalescence, however, and in order to become normal needs time.

Having been personally over the Chinese Eastern Railway from the station Pogranichnaya to the station Manchuli, having personally visited all of the railroad shops at Harbin, the headquarters of the line, I can personally testify to the excellent condition of the entire road, taking into consideration the extraordinary difficult times through which the country is passing. I can also testify to the efficient work being done in all of the shops, putting the old rolling stock and engines in perfect condition again, all to be credited to the efficient and conscientious work carried out under the personal direction of the road's present manager. Although this gentleman is being fought and besmeared by his political enemies and a bunch of jealous grafters, he has brought the road under all these difficulties into excellent condition, as can be seen by a careful study of this report and the accompanying diagrams.

The many improvements made in the city of Harbin for the benefit of the railroad's employees, the improvements made all along the road for the same purpose and for the comfort of the traveling public, after everything had been practically ruined by the armies of occupation, the retreating armies of Kolchak, etc., can not but astonish one. These enormous improvements were made in a short time under the present general manager, for all of which he receives no credit from the discharged surplus employees and grafters who can no longer steal the road blind. He is being accused by these people of having squandered the road's money. This accusation is absolutely unjustified. All the money spent has been spent for the benefit of the road.

The present general manager has not only not used any of the road's funds for his own use but has spent large sums of money of his own for the benefit of the employees of the road and their families, and he himself is, comparatively speaking, a poor man to-day. He no doubt, made some mistakes, most of which can be summarized by saying that he has been too lenient with many of his jealous adversaries and too good hearted toward a lot of shiftless employees.

C. J. MAYER,
American Trade Commissioner.

LEAVE TO WITHDRAW PAPERS—BERTRAND HEIM.

Mr. KIRKPATRICK, by unanimous consent, obtained leave to withdraw from the files of the House, without leaving copies, the papers in connection with H. R. 993, for the relief of Bertrand Heim, no adverse report having been made thereon.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted—

To Mr. TUCKER, for to-day, on account of sickness (at the request of Mr. BLAND of Virginia).

To Mr. PATTERSON of Missouri, for two days, on account of important business.

To Mr. BIRD, for eight days, on account of urgent business.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that February 21 they had presented to the President of the United States, for his approval, the following bills:

H. R. 2049. An act for the relief of the Delaware River Lightering Co.;

H. R. 3461. An act for the relief of Eugene Fazzi;

H. R. 3499. An act for the relief of the Atlas Lumber Co., Babcock & Wilcox, Johnson, Jackson & Corning Co., and the C. H. Klein Brick Co.;

H. R. 4619. An act for the relief of the Link-Belt Co., of Philadelphia, Pa.;

H. R. 4620. An act for the relief of Th. Brovig;

H. R. 4622. An act for the relief of the Lloyd Mediterraneo Societa Italiana di Navigazione, owners of the Italian steamer *Titanica*;

H. R. 5249. An act for the relief of Ephraim Lederer, collector of internal revenue for the first district of Pennsylvania;

H. R. 5475. An act for the relief of the Standard American Dredging Co.;

H. R. 5648. An act for the relief of Ike T. Boyles;

H. R. 6177. An act for the relief of the owner of the fishing smack *Mary S. Dolbow*;

H. R. 8214. An act to compensate the owners of the American steamship *Vindal* for damages and expenses in repairing the said steamship, and to make an appropriation therefor;

H. R. 9049. An act declaring the act of September 19, 1890 (26 Stat., ch. 907, sec. 7), and the act of March 3, 1899 (30 Stat., ch. 425, sec. 9), and all acts amendatory of either thereof, shall not hereafter apply to a portion of the west arm of the south fork of the South Branch of the Chicago River, and for other purposes;

H. R. 9316. An act for the relief of Robert J. Ashe;

H. R. 9887. An act for the relief of the Pennsylvania Railroad Co.;

H. R. 13808. An act granting the consent of Congress to the commissioners of Venango County, their successors and assigns, to construct a bridge across the Allegheny River, in the State of Pennsylvania;

H. R. 3836. An act for the relief of Nolan P. Benner;

H. R. 13128. An act authorizing an appropriation for the construction of a road within the Fort Apache Indian Reservation, Ariz.; and

H. R. 13481. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1924, and for other purposes.

DEATH OF MRS. JOHN A. LOGAN.

Mr. DENISON. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. The gentleman from Illinois asks unanimous consent to proceed for one minute. Is there objection?

There was no objection.

Mr. DENISON. Mr. Speaker, this morning at 4 o'clock there passed away in this city one of the Nation's great characters, Mrs. Gen. John A. Logan. Eighty-five years ago next August Mrs. Logan was born in the little town in southern Illinois which happens to be my home. Early in her life she was united in marriage with General Logan, then a rising young lawyer, and from that time until the death of the general their lives were so closely and so beautifully intertwined that the public services and the name and the fame of the one can not be separated from those of the other.

General Logan was one of the world's greatest volunteer soldiers, one of this Nation's greatest generals, and one of our most illustrious statesmen; and through all the troubled and critical years of the Civil War, as well as the turbulent and critical years of reconstruction following the war, Mrs. Logan was his constant companion, his helpmate, and his inspiration.

Mrs. Logan first came to Washington, I believe, in 1858, when General Logan was elected to Congress from the district I now have the honor to represent; and during most of the years since then she has been a resident of this city. Her home here has ever been a shrine for those who from experience recalled the eventful days when our Republic trembled, as well as for many thousand others to whom the services and the sacrifices of the heroic men and women of those days have been an inspiration. By her splendid character, her devotion to the highest ideals, and her patriotic endeavors Mrs. Logan has contributed much good to the city and to the Nation.

I am informed that on next Saturday afternoon funeral services will be held, and her remains will be laid to rest be-

side those of General Logan at the Soldiers' Home here in Washington. I am sure many of the Members of the House will take advantage of the privilege to attend. I feel, Mr. Speaker, that by the death of Mrs. Logan our country has lost one of its greatest and most honored characters.

Mr. GARRETT of Tennessee. Mr. Speaker, probably the fact that he was a great man was because he had so great a consort.

LEAVE TO EXTEND REMARKS.

Mr. COOPER of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

RECESS.

Mr. MONDELL. Mr. Speaker, I move that the House stand in recess until 8 o'clock p. m.

The SPEAKER. The gentleman from Wyoming moves that the House stand in recess until 8 o'clock p. m.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p. m.) the House stood in recess.

EVENING SESSION.

The recess having expired, the House (at 8 o'clock p. m.) resumed its session, with the Speaker in the chair.

Mr. STAFFORD. Mr. Speaker, I move that the consideration of bills on the Private Calendar unobjected to be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Wisconsin moves that bills on the Private Calendar unobjected to be considered in the House as in the Committee of the Whole.

The motion was agreed to.

THE MICHIGAN BOULEVARD BUILDING CO.

Mr. EDMONDS. Mr. Speaker, I present a conference report on the bill (H. R. 5918) for the relief of the Michigan Boulevard Building Co., for printing under the rules.

Mr. BLANTON. Reserving the right to object, has there been any extraneous matter placed upon it by the Senate?

Mr. EDMONDS. No; the bill is agreed to as it passed the House.

Mr. BLANTON. Nothing placed on it as a rider?

Mr. EDMONDS. No.

The report and statement are as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5918) for the relief of the Michigan Boulevard Building Co., having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments.

G. W. EDMONDS,
JAMES P. GLYNN,
H. B. STEAGALL,

Managers on the part of the House.

ARTHUR CAPPER,
F. R. GOODING,
PARK TRAMMELL,

Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5918) for the relief of the Michigan Boulevard Building Co. submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report:

The amount is reduced from \$31,931.69 to \$18,931.69.

G. W. EDMONDS,
JAMES P. GLYNN,
H. B. STEAGALL,

Managers on the part of the House.

The SPEAKER. The Clerk will report the first bill in order on the calendar.

The first business on the Private Calendar was the bill (H. R. 8051) for the relief of the Commonwealth & Dominion Line (Ltd.), owner of the British steamship *Port Phillip*.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I ask that the bill be passed over without prejudice until the author of the bill can be present.

Mr. BLANTON. A point of order, Mr. Speaker. The calendar which I have shows a star where we left off the other night.

The SPEAKER. The Chair is informed that there was a special order for taking up this bill first.

Mr. EDMONDS. We agreed at the meeting the other night that this should be taken up first.

Mr. REED of New York. I want to say to the gentleman from Wisconsin that the gentleman from New York [Mr. HICKS] was suddenly called out of town. He is anxious that the bill should pass.

Mr. STAFFORD. This bill does not follow the established form adopted by the Committee on Claims for referring claims of this character to the United States District Court sitting as a court of admiralty. It further provides in section 2, which is very exceptional, an appropriation. Besides that I do not think any of these bills should be referred to the admiralty court with claims for demurrage for the delay in the use of the vessel. The other night I objected to one bill because the limitation was not incorporated. There is a bill on the calendar, No. 457, which contains the form of bill which the Committee on Claims has been reporting in these cases. I ask that this bill be passed without prejudice.

Mr. REED of New York. If the gentleman objects, of course there is nothing else to do.

Mr. STAFFORD. I do not object, but I ask that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

COMPAGNIE FRANCAISE DES CABLES TELEGRAPHIQUES.

The next business on the Private Calendar was the bill (H. R. 14091) for the relief of the Compagnie Francaise des Cables Telegraphiques.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I would like to inquire of the chairman of the committee why the committee did not follow the recommendation of the Acting Secretary of Commerce and submit this bill to the United States District Court for determination of damages and not to the court sitting as a court of admiralty?

Mr. EDMONDS. I call attention to the fact that the department sent us the bill to be entered in this way. I do not know why, but I think because there was some controversy as to the amount.

Mr. STAFFORD. I take issue with the gentleman. On page 2 of the report is the draft of the bill and it is not the bill reported by the committee. It is a bill substantially in the form the committee has been following this session in reference to bills referring to the district court sitting as a court of admiralty. I direct the gentleman's attention to the difference between the recommended bill and this bill which is reported. The bill from the Acting Secretary of Commerce says that it "be referred to the district court of the United States in the district of Massachusetts with jurisdiction and authority to determine the liability of the United States therefor."

Mr. EDMONDS. The gentleman wishes to have judgment given against the United States. We changed it because it is not the practice in the House to have judgment rendered. There is no demurrage. It is damage to a cable. If the gentleman wishes to have judgment against the United States I want to say that that is against the practice of the House.

Mr. STAFFORD. The gentleman says there is no demurrage charge that can arise?

Mr. EDMONDS. I understand not; it is damage to cables.

Mr. STAFFORD. Could there not arise in that connection damage by reason of business that has been interfered with by reason of the breaking of the cable? The cable company makes a claim against the Government of \$11,000. That the Department of Commerce disputes.

Mr. EDMONDS. That is right.

Mr. BLANTON. Mr. Speaker, I am going to object, and it will save time if I object now.

The SPEAKER. Objection is heard.

ALASKA COMMERCIAL CO.

The next business on the Private Calendar was the bill (S. 2294) to confer jurisdiction upon the Court of Claims to ascertain the cost to the Alaska Commercial Co., a corporation, and the amount expended by it from November 5, 1920, to April 18, 1921, in repairing and rebuilding the wharf belonging to said

company at Dutch Harbor, Alaska, which wharf was damaged and partially destroyed on or about November 5, 1920, through collision therewith of the United States steamship *Saturn*, United States Navy, and to render judgment therefor.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, why can not the Navy Department pay the damages under the blanket authority which we recently vested in them in such cases as this?

Mr. EVANS. Because the sum is too large.

Mr. STAFFORD. Is there any claim for demurrage arising in this case?

Mr. EDMONDS. I do not believe so.

Mr. STAFFORD. As I recall, there was a dispute as to the amount of damages.

Mr. EDMONDS. They made a claim of \$13,000, and in the opinion of the department the bill was excessive. I doubt if any claim for demurrage could arise on this claim. We drew the bill up in the ordinary form.

Mr. STAFFORD. As I recall this case, it was a poorly constructed wharf, the piles being in the water only 3 or 4 feet. A storm came up and the wharf collapsed. Why should we be responsible for damages to a wharf if the vessel was properly there, when a storm arose which is an act of God?

Mr. EDMONDS. I do not believe the gentleman's statement is quite accurate. The wharf was probably useful to these people, and in an endeavor to get out of bad weather this Government boat tied up at the wharf and broke it down.

Mr. STAFFORD. While the Government boat was moored to the wharf a squall came up, and in confirmation of my position that the wharf was in poor condition, I note that the Acting Secretary of the Navy, Theodore Roosevelt, states that in his opinion the wharf was not properly built; that the piles were in the water only 3 feet. Mr. Speaker, I object to this bill.

BUFFKIN & GIRVIN.

The next business on the Private Calendar was the bill (S. 1670) for the relief of Buffkin & Girvin.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Buffkin & Girvin, of Jacksonville, Fla., out of any money in the Treasury not otherwise appropriated, the sum of \$2,114, in settlement of their claim for funds paid by them to the Government under protest, for manure, which was never delivered by the Government under certain contracts the said firm had with the Government for the purchase of manure at certain Army camps during the recent war.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

F. J. BELCHER.

The next business on the Private Calendar was the bill (S. 3609) for the relief of F. J. Belcher, Jr., trustee for Ed Fletcher.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. BLANTON. Mr. Speaker, let us have the bill reported.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, directed to pay to F. J. Belcher, Jr., trustee for the benefit of Ed Fletcher, out of any money in the Treasury not otherwise appropriated, the sum of \$21,838, in full payment for damage to lands owned by said Ed Fletcher inflicted thereon by the Government while occupying said lands as an Army training camp.

Mr. BLANTON. Mr. Speaker, I object.

Mr. SWING. Mr. Speaker will the gentleman withhold his objection for a moment?

Mr. BLANTON. Yes.

Mr. SWING. I sincerely hope that the gentleman will not object to this bill. From my own investigation into the case and from my personal knowledge, because I have been over the ground and was there before the Army camp was located at that point, and also since, I regard this as an exceedingly meritorious claim. I introduced a companion bill which went to the Committee on Claims and to the subcommittee of which the gentleman from Massachusetts [Mr. UNDERHILL] was the chairman. That subcommittee has also reported favorably.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. SWING. Yes.

Mr. BLANTON. This bill embraces \$21,000?

Mr. SWING. Yes.

Mr. BLANTON. Does the gentleman know anything about the bill which we just passed without objection?

Mr. SWING. No.

Mr. BLANTON. The preceding bill, instead of calling for \$21,000 called for \$2,100. It passed without objection or debate. It involves a claim for a lot of manure which the parties claim they were entitled to, but a part of which was distributed by soldiers and sold to somebody else instead of being delivered to them. One report shows that there was only \$361 due upon it. I doubt whether the Government owed more than \$361. I let the bill pass to save time. I thought perhaps we could save more by saving time and then killing some of these big bills than in wasting time on \$2,100 bills.

Mr. LOWREY. Mr. Speaker, will the gentleman yield?

Mr. SWING. Yes.

Mr. LOWREY. I just want to say as a member of that Committee on Claims that I feel sure if the gentleman from Texas could have examined the evidence thoroughly he would not object to this bill. I was on the subcommittee that considered it, and on the main committee.

Mr. BLANTON. And the gentleman considered a lot of ex parte statements and affidavits.

Mr. LOWREY. I did it with what integrity I had, as a member of the committee.

Mr. BLANTON. The gentleman never saw the witnesses and was not able to judge whether their testimony was correct or not. I have seen ex parte statements and affidavits come in bundles where the evidence of one present witness would refute the whole bundle.

Mr. LOWREY. I just offer my statement for what it is worth.

Mr. SWING. It is a large claim, but that is not the controlling question. The controlling question is how much damage was done.

Mr. BLANTON. My idea is just this: This is a night when bills are considered that are unobjected to, bills that are supposed to be small bills or bills where there could be no objection at all. Some of the new Members do not understand why one man should stop a bill to-night. There are days of each session for the consideration of the Private Calendar when one man can not stop a bill. It is only on such nights as this in the closing hours of Congress that that can be done, and a \$21,000 claim against this Government ought to have more than five minutes' consideration of this House at all times.

Mr. SWING. Let me just state the case on the United States Government's own investigation, not on ex parte statement. This man, out of his sense of patriotism, at the Government's request, turned over to the Government 3,000 acres of land for use for five years by the United States Government.

Mr. BLANTON. Yes; and the land is still there. It never has moved.

Mr. SWING. The Government moved 6 miles of it. It dug trenches over 6 feet deep extending over 6 miles in length. It put concrete emplacements at one end of it and a whole battery of cannon there and practiced artillery firing from one end to the other.

Mr. BLANTON. Did they not have the right to do it under the lease?

Mr. SWING. Certainly; the lease was free, \$1 for five years or 20 cents a year, and he is paying out over \$1,000 a year taxes.

Mr. BLANTON. He merely entered into a bad contract.

Mr. SWING. It is not a contract. He was in New York and they wired him that the Government wanted it and he wired back that the Government could have anything he had, and being patriotic—

Mr. BLANTON. In other words, he commercialized his patriotism.

Mr. SWING. No; but he ought not to be punished because of it. Should a man's patriotism be used to inflict punishment on him? If you borrowed a man's bicycle, would you return it to him with a wheel broken? The Government had it. They dug 6 miles of trenches; they shot it full of big pits—the dug holes are there—they left them and left the trenches as they were. They said they are willing to pay, and then they went to work and found out by actual test what it would cost to fill them up, and they estimated that it would actually cost more to fill the trenches than is included in this bill.

Mr. BLANTON. Will the gentleman yield? This patriotic citizen was in New York, and the Government represented that it wanted some of his land—about 3,000 acres—and he proceeded to let it to them for five years under certain stipulations.

Mr. SWING. They wired him with reference to the land, and he wired to them that "they can have anything I have got."

Mr. BLANTON. Without any strings; and the Government used it, and after the Government used it—

Mr. SWING. They abused it.

Mr. FIELDS. Do I understand the amount carried in this bill was what the War Department estimated it would cost to fill the trenches and put them back in condition?

Mr. SWING. Absolutely.

Mr. FIELDS. Such as when they received it from him?

Mr. SWING. Let me read you what the judge advocate says:

When the property was abandoned, excavations to the extent of 17,480 cubic yards, consisting of trenches, dugouts, gun pits, etc., were left thereon. That the Government had a valid right to make these excavations is indisputable, but that right does not carry with it the right to leave them upon relinquishing possession of the land in a condition which not only makes the land unsafe but constitutes a permanent damage thereto so long as they are left undestroyed. This claim has been investigated by a local board and the cost of refilling these trenches, etc., was found to be slightly more than \$1.25 per cubic yard. This cost was determined by the filling of some 1,500 yards of trenches, etc., by the Government, and is also the lowest figure procurable from commercial contractors. To refill these holes will require by actual measurements the removing of 17,480 cubic yards of earth. At \$1.25 per cubic yard, this would cost \$21,850. The claimant, however, has agreed to accept the sum of \$21,838, and the local board recommends the payment of this sum. This recommendation is concurred in.

Mr. FIELDS. He asks for no rental on the land, but asks that the Government put it back in the condition in which they found it.

Mr. SWING. He asks them no rental money, but he said that if they would fill the trenches and put it in the same condition that it was before they took it he would be satisfied. They said they would rather make a cash settlement.

Mr. BLANTON. Let me give my view. If this bill was for the Government to place the land back in the shape in which it found it I would not object for one minute, but it is a bill to pay a man \$21,000 in cash. Now, the land for the purpose for which it is suitable or desired may not be damaged at all by having these trenches and holes in it. Suppose a man in New York wants to make a golf course of it. Would he not want some holes and mounds on it, if he wanted to use it for a golf course? That is one of the main purposes for which most men in New York want some land.

Mr. SWING. He was only in New York temporarily.

Mr. STAFFORD. Mr. Speaker, I demand the regular order.

Mr. BLANTON. Mr. Speaker, I object.

HUGH MARSHALL MONTGOMERY.

The next business on the Private Calendar was the bill (H. R. 13724) for the relief of Hugh Marshall Montgomery.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. BLANTON. May we have it reported?

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patent for lot 4, containing 54 acres, of section 3, in township 17 north, and range 5 west, Choctaw meridian, in the State of Mississippi, to Hugh Marshall Montgomery.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

GREAT LAKES ENGINEERING WORKS.

The next business on the Private Calendar was the bill (H. R. 6601) for the relief of the Great Lakes Engineering Works.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this bill is entirely satisfactory so far as it does not require the United States District Court to sit as a court of admiralty if there be a limitation inserted excepting claims for demurrage.

Mr. EDMONDS. I will offer such an amendment.

Mr. STAFFORD. With that understanding I will be glad to withdraw the reservation of objection.

The Clerk read as follows:

Be it enacted, etc., That the claim of the Great Lakes Engineering Works, a corporation organized under the laws of the State of Michigan, with its principal place of business in the city of Detroit, in said State, owner of the steamship *Frank H. Goodyear*, and certain docks on the Detroit River, at Ecorse, Mich., against the United States for damages alleged to have been caused by collision between the United States steamship *Isla de Luzon* and said steamship *Frank H. Goodyear* on May 24, 1917, in the Detroit River at Ecorse, Mich., may be sued for by the Great Lakes Engineering Works in the District Court of the United States for the Eastern District of Michigan sitting as a court of admiralty and acting under the rules governing such court, and said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such damages and costs,

if any, as shall be found to be due against the United States in favor of the Great Lakes Engineering Works, or against the Great Lakes Engineering Works in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by the order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

Mr. EDMONDS. Mr. Speaker, I offer the following amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

On page 2, line 3, after the word "suit," insert "to the extent only of such damages suffered other than claims for demurrage to said vessel."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

C. M. RIEVES.

The next business on the Private Calendar was the bill (S. 3154) for the relief of C. M. Rieves.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SANDERS of Indiana). Is there objection to the present consideration of this bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That there is hereby relinquished to C. M. Rieves, of Marion, Ark., all right, title, and interest of the United States in the unsurveyed part of the east one-half of section 11, lying south of the unsurveyed north half of the northeast quarter of said section, in township 8 north of range 8 east of the fifth principal meridian in the State of Arkansas.

The bill was ordered to be read a third time, was read the third time, and passed.

AUGUST NELSON.

The next business on the Private Calendar was the bill (H. R. 13024) for the relief of August Nelson.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the homestead entry No. 027376, Cheyenne, Wyo., made by August Nelson on October 11, 1920, under the act of February 19, 1909 (35 Stat. L., p. 639), for lots 3 and 4, east half of the southwest quarter, and southeast quarter of section 30, township 25 north, range 81 west, sixth principal meridian, be, and the same is hereby, validated, and the Secretary of the Interior is hereby authorized to issue patent thereon upon the submission of satisfactory proof of compliance with the law under which the entry was allowed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER pro tempore. The Clerk will report the next bill.

MILES J. DAVIS, DECEASED.

The next business on the Private Calendar was the bill (H. R. 13612) authorizing the issuance of patent to the legal representatives of Miles J. Davis, deceased.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the consideration of this bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue a patent to the legal representatives of Miles J. Davis, deceased, upon homestead entry, Buffalo, Wyo., No. 014165, made August 2, 1920, for the east half of the west half, west half of the east half of section 34, south half of the south half of section 27, and south half of the south half of section 26, township 54 north, range 75 west, sixth principal meridian, upon which proof of compliance with law has been filed.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER pro tempore. The Clerk will report the next one.

WYATT A. MARSHALL.

The next business on the Private Calendar was the bill (H. R. 13614) for the relief of Wyatt A. Marshall.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the homestead entry No. 038158, made by Wyatt A. Marshall on February 23, 1921, under the act of December

29, 1916 (39 Stats. L. p. 862), for the south half of section 28, township 4 north, range 12 east, New Mexico principal meridian, be, and the same is hereby validated, subject to future compliance with the law.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER pro tempore. The Clerk will report the next bill.

JOSEPH H. LOKKEN.

The next business on the Private Calendar was the bill (H. R. 14028) for the relief of Joseph H. Lokken.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the consideration of this bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to certify to the Secretary of the Treasury the amount paid as purchase money by Joseph H. Lokken in connection with commutation proof on his homestead entry made at Glasgow, Mont., office serial 050325, west half northeast quarter, section 27, township 29 north, range 48 east, Montana meridian.

SEC. 2. That upon receipt of the certificate from the Secretary of the Interior, as provided in section 1 of this act, the Secretary of the Treasury is hereby authorized and directed to make payment of the amount so certified out of "Proceeds of Fort Peck Indian lands, act of May 30, 1908," and issue his warrant in settlement thereof.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER pro tempore. The Clerk will report the next bill.

RAYMON B. HARRISON.

The next business on the Private Calendar was the resolution (H. J. Res. 222) authorizing the President of the United States to amend the discharge certificate issued Ramon B. Harrison, formerly captain, Infantry, United States Army.

The title of the resolution was read.

The SPEAKER pro tempore. Is there objection?

Mr. FIELDS. May we have the resolution reported, Mr. Speaker?

The SPEAKER pro tempore. The Clerk will report the resolution.

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the amendment may be read instead of the preamble, which is stricken out, and the original matter contained in the bill.

The SPEAKER pro tempore. The Clerk will report the resolution without the preamble.

The Clerk read as follows:

Resolved, etc., That the President of the United States be, and he is hereby, authorized and empowered to revoke the certificate of discharge from the military service given, on December 23, 1920, at Governors Island, New York, to the said Ramon B. Harrison, then holding the rank of captain, Infantry, United States Army, under the provisions of the act of Congress entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917, and issue in lieu thereof and as of date of January 21, 1921, date of his acquittal and release from military custody, an honorable discharge: *Provided*, That upon his being granted an honorable discharge from the military service as provided for herein, the said Ramon B. Harrison shall be entitled to the payment of \$60, as provided in section 1406 of the act of Congress entitled "An act to provide revenue, and for other purposes," approved February 24, 1919, and also to the payment of full pay and allowances to which his rank of captain, Infantry, United States Army, entitled him at Governors Island, N. Y., up to and including January 21, 1921, not otherwise paid to him.

With a committee amendment, as follows: Strike out all from line 3, page 1, to line 2, page 3, and after line 2, page 3, insert:

That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged officers, Ramon B. Harrison, who was a captain of Infantry, United States Army, shall hereafter be held and considered to have been discharged honorably from the military service of the United States on the 23d day of December, 1921.

Mr. FIELDS. Reserving the right to object, Mr. Speaker, may we have the resolution explained?

Mr. WURZBACH. Mr. Speaker, this bill was reported out of the Committee on Military Affairs by Mr. HILL, who is not present to-night, but I know something of the facts of the case. This officer was discharged without honor while he was awaiting trial by court-martial. Under the law of 1920 emergency officers were required to be discharged on or before December 31, 1920, and this man was, in accordance with that law, discharged without honor on, I think, December 23. Thereafter, in January, he was tried and acquitted.

Mr. FIELDS. I remember the case now. It was a very meritorious case.

Mr. WURZBACH. Yes; it was a meritorious case.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I reserve the right to object.

Is that the only explanation the gentleman could give about the merits of the bill? There have been men charged with offenses, I submit to my colleague; for instance, a well-known case that has been before the Congress, that of the officers connected with the escape of Grover Cleveland Bergdoll. They were tried by court-martial and honorably acquitted. Yet they let a deserter escape purposely, designedly.

Mr. WURZBACH. I will say in reply to the gentleman that I think we have got to assume that in the case of judgments in courts-martial, the same as with judgments in courts of law, they ought to carry with them some validity.

Mr. BLANTON. We ought to quit chousing Grover, then, if we are going to pursue that policy. We have choused him in another bill, on a bill that applies to everybody in the United States except Bergdoll. I agree with the bill. I do not think we ought to give him any quarter whatever. But if we are to carry out that policy, we would assume that every court-martial acquittal means innocence, but in fact it sometimes means guilt.

Mr. WURZBACH. If this trial had taken place before December 31, 1920, and he had been acquitted—

Mr. FIELDS. If he had been acquitted 10 days earlier he would have had an honorable discharge.

Mr. TILSON. Yes; he would have had an honorable discharge.

Mr. BLANTON. I have investigated some of the bills coming out of the Committee on Naval Affairs and out of other committees when court-martial proceedings were pending, and the man was discharged before the court-martial proceeding was had.

Mr. TILSON. He was forced out by the law.

Mr. FIELDS. He was forced out.

Mr. TILSON. The law compelled him to be discharged at that time, and therefore he had to be.

Mr. BLANTON. Have either of the gentlemen investigated this case personally?

Mr. FIELDS. I have.

Mr. BLANTON. Does the gentleman think it is meritorious?

Mr. FIELDS. I think it is very meritorious.

Mr. BLANTON. I withdraw the reservation. My colleague has investigated the case.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, and was accordingly read the third time, and passed.

By unanimous consent the title of the bill was amended to conform to the text.

COMMONWEALTH & DOMINION LINE.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to return to Calendar No. 415, the first bill considered this evening, and passed over temporarily, to allow the gentleman from New York [Mr. REED] to offer a substitute.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent to return to Calendar No. 415. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill by title.

The Clerk read the title of the bill (H. R. 8051) for the relief of the Commonwealth & Dominion Line (Ltd.), owner of the British steamship *Port Phillip*.

Mr. STAFFORD. Under reservation of objection I ask unanimous consent that the substitute to be offered by the gentleman from New York [Mr. REED] may be read in lieu of the House bill.

The SPEAKER pro tempore. The gentleman asks unanimous consent that the substitute to be offered by the gentleman from New York [Mr. REED] be read in lieu of the bill. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, I offer a substitute.

The SPEAKER pro tempore. The gentleman from New York [Mr. REED] offers an amendment in the nature of a substitute, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That the claim of the Commonwealth & Dominion Line (Ltd.), owner of the British steamer *Port Phillip*, against the United States for damages and loss alleged to have been caused by the collision of said vessel with the U. S. collier *Proteus*, in New York Harbor, on October 16, 1918, may be sued for by the said owner of the British steamer *Port Phillip* in the District Court of the United States for the Eastern District of New York, sitting as a court of admiralty.

and acting under the rules governing such court; and said court shall have jurisdiction to hear and determine such suit to the extent only of such damages suffered, other than claims for demurrage to said vessel, and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the owners of the British steamer *Port Phillip* or against said owners in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court; and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The question is on the adoption of the amendment of the gentleman from New York [Mr. REED].

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time, and passed.

ANNA M. TOBIN.

Mr. HUDSPETH. Mr. Speaker, I ask unanimous consent to return to calendar No. 203 (S. 2323).

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to return to calendar No. 203. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill. The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Anna M. Tobin, independent executrix of the estate of Frank R. Tobin, deceased, the sum of \$1,000, in full settlement for damages to said estate by soldiers of the United States Army in 1916 and 1917 near El Paso, Tex.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, and was accordingly read the third time and passed.

The SPEAKER pro tempore. The Clerk will report the next bill on the calendar.

CHARLES SWANSON.

The next business on the Private Calendar was the bill (H. R. 10682) authorizing issuance of patent to Charles Swanson.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. This bill proposes to grant a patent to an individual for part of an abandoned military reservation. Is the gentleman in charge of the bill present? There being no one present in charge of the bill, I will object.

The SPEAKER pro tempore. The gentleman from Texas objects. The Clerk will report the next bill.

ANTON ROSPOTNIK.

The next business on the Private Calendar was the bill (S. 3594) for the relief of Anton Rospotnik and the exchange of certain lands owned by the Northern Pacific Railway Co.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, will any Member have any objection to an amendment providing that the exchanged lands shall be of approximately the same value? We have had some abuses in the exchange of lieu lands out in the Northwestern States, where they took land of the same area but of much greater value. I do not think there will be any objection to the amendment, and I withdraw the reservation of objection.

The SPEAKER pro tempore. The gentleman withdraws the reservation of objection. The Clerk will report the bill.

The bill was read as follows:

Be it enacted, etc., That the Northern Pacific Railway Co., upon its filing with the Secretary of the Interior a proper relinquishment disclaiming in favor of the United States all title and interest in or to the north half northwest quarter, section 15, township 8 south, range 20 east, in the Bozeman (Mont.) land district, under its mineral indemnity selection, list No. 146, embracing said tract, shall be entitled to select and receive a patent for other vacant unreserved nonmineral public lands of an equal area in that State; and the Secretary of the Interior is hereby authorized and directed to permit, after the filing

of such relinquishment by said railway company, the homestead entry of Anton Rospotnik, to be reinstated as though said entry had been properly allowed, the same to remain subject to compliance with the laws governing entries of like character.

Mr. STAFFORD. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The gentleman from Wisconsin offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 1, line 12, after the word "State," insert "and of approximately the same value."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the bill.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

The SPEAKER pro tempore. The Clerk will report the next bill.

LEGAL REPRESENTATIVES OF THOMAS JOHNSON.

The next business on the Private Calendar was the bill (H. R. 10825) for the relief of the heirs, assigns, and legal representatives of Thomas Johnson.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. I ask that the bill be reported, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the bill.

The bill was read as follows:

Be it enacted, etc., That the location numbered 20, township 6 north, range 9 west, second principal meridian, Indiana, which has been surveyed in the name of Thomas Johnson, as appears from the field notes of survey on file in the General Land Office, be, and the same is hereby, confirmed to the said Thomas Johnson, and the Commissioner of the General Land Office shall issue his certificate as register ex officio and cause a patent to be issued for said claim to Thomas Johnson, his heirs, assigns, and legal representatives: *Provided*, That this act and the patent which may be granted in pursuance of the same shall only operate as a relinquishment on the part of the United States and shall in no way prejudice any valid adverse right, if such exist, to the said land; the intent being that title shall inure to the true owners of the land under the laws of Indiana, including laws of limitation and prescription, as though patent had issued during the lifetime of said Thomas Johnson.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

PENSIONS.

The next bill on the Private Calendar was the bill (H. R. 14200) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, this bill has been passed upon, has it not?

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice until the end of the calendar is reached.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent that this bill may be passed over until the end of the calendar is reached. Is there objection?

Mr. BLANTON. Reserving the right to object, this committee has a special status where it can bring up a bill at any time?

Mr. FULLER. That is not correct. There are two Fridays of the month as days on which private pension bills may be considered.

Mr. BLANTON. And to-morrow is one of them.

Mr. FULLER. To-morrow would be the day, but our experience is that it is a day when private pension bills can not always be considered, because something else is in the way.

Mr. BLANTON. If you can get the recognition of the Speaker, you can consider it.

Mr. FULLER. Yes; but it will take less time now than it will then.

Mr. GARRETT of Tennessee. Invalid pension bills are privileged, but bills from the Pension Committee are not privileged.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. ROBSION. I trust that the gentleman will not press his objection.

Mr. FULLER. It will take less time now than it will tomorrow to consider it.

Mr. STAFFORD. This is the only day that these private bills can be considered. Let us proceed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

NEW YORK STATE FAIR COMMISSION.

The next business on the Private Calendar was the bill (H. R. 13903) for the relief of the New York State Fair Commission. The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I object.

Mr. MAGEE. Will the gentleman reserve his objection?

Mr. BLANTON. I will reserve it.

Mr. MAGEE. There is no question about this amount found by a board of auditors of the War Department. There were two claims filed by the commission, one for 1918 and one for 1917. The claim for 1918 was taken up first, because the officers who knew about the claims for 1917 were in France. The award fixed something like \$3,000 for the claim of 1918, which was paid. When the officers who knew about the 1917 claim returned from France the claim for that year was heard, and this award was made. The claim of the commission was for \$28,517.86, and the amount of the award was \$12,098.25. Now, I had charge of this claim under the former administration in New York when we had a Republican administration. The administration has now changed, and I want to show the same diligence in behalf of Democratic administration that I showed for the former administration. [Laughter.] Nobody raises any question as to the merits of the claim.

Mr. BLANTON. The "gentleman from Texas" would try to stop a Democratic bill just as quick as he would a Republican claim. They all look alike when they take money out of the Treasury. I make no distinction at all.

Mr. MAGEE. There is no question about the claim.

Mr. BLANTON. The claim amounts to \$12,000.

Mr. STAFFORD. What was the payment of the seven thousand and some odd dollars for?

Mr. MAGEE. That was for damages during 1918. It was during the mobilization of the United States soldiers that damaged the fairgrounds in Syracuse.

Mr. STAFFORD. What is the payment of \$12,000 for?

Mr. MAGEE. For the damages of 1917.

Mr. EDMONDS. The department said if they had not run short of money it would have been paid.

Mr. BLANTON. If it was not for the fact that I am afraid we are going to run short of money, I would not object. The fairground was used by the Government in mobilizing troops. I imagine that it benefited New York more than any other part of the United States, because if the troops had not been mobilized, instead of a commercial submarine rising up out of the water in the New York Harbor some morning, as it did during the war, there would have been a war submarine rise up and the fairgrounds would have been about the first place that the kaiser would take for mobilizing his troops.

Mr. EDMONDS. The only navy that can go to Syracuse would be the Swiss navy. [Laughter.]

Mr. MAGEE. I will say that the State offered the fairgrounds to the Federal Government.

This is not money to be paid for the use of the fairgrounds. During the mobilization the soldiers appropriated and destroyed property of the State Fair Commission, and the claim is for damages to property.

Mr. BLANTON. My colleague, the gentleman from Texas [Mr. Box], who is on the committee, advises me that he investigated the matter and knows that it is all right. I take his judgment for it.

Mr. MAGEE. I would not tell the gentleman that the claim was all right unless I believed it to be so.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$12,098.25 to the New York State Fair Commission for damages to property and buildings on the State fairgrounds, Syracuse, N. Y., by United States troops during the mobilization in 1917, being the amount heretofore duly ascertained and awarded by the War Department.

With the following committee amendment:

In line 6, after the word "commission," insert the words "in full settlement against the Government."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

WILLIAM COLLIE NABORS.

The next business on the Private Calendar was the bill (S. 1405) for the relief of William Collie Nabors.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I understand that there will be an amendment offered reducing the amount to \$3,000.

Mr. EDMONDS. The amendment is already printed in the bill.

Mr. BLANTON. And the committee is going to insist upon the amendment?

Mr. EDMONDS. Yes.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Collie Nabors the sum of \$5,000 for damages suffered by reason of his being struck and seriously injured by a Government motor cycle which was ridden or driven by a regularly enlisted soldier of the United States Army.

With the following committee amendment:

Line 6, strike out the figures "\$5,000" and insert in lieu thereof "\$3,000, in full settlement against the Government."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

JOHN N. HALLADAY.

The next business on the Private Calendar was the bill (S. 4028) for the relief of John N. Halladay.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I am frank to say to gentlemen interested in this bill that I have had some difficulty in bringing myself to the conclusion that the bank did not have notice of the wrongdoing of this wholesale crook, who married the acting postmistress, in the issuing of these postal money orders, 74 of which were for \$100 each and 4 for \$50 each, all cashed by one bank. I never knew of a case where the facts reeked with such open violation of the postal regulations. The acting postmistress was the daughter of the postmaster at Oak, Ala.

Mr. EDMONDS. The daughter was the guilty party.

Mr. STAFFORD. Yes. She was the acting postmistress. Her father was invalided. She would go around with the regular blanks, postal money orders, and buy automobiles, and have the orders circulated and then cashed. Only six months was the punishment for openly defrauding the Government.

Mr. McDUFFIE. But that is only in one case. The other case is yet to be tried.

Mr. STAFFORD. Of course, we are not concerned with the question of punishment at this time. All I am concerned with is whether the bank was put on notice by reason of the frequency with which these money orders were presented.

Mr. SMITHWICK. It ran over a period of nearly a year, from October, 1920, to June, 1921. The money orders were always paid. There was no evidence that the bank had notice at all. The orders were always paid and, of course, there was no reason why they should go around and inquire whether they were good.

Mr. STAFFORD. They were all issued by the acting postmistress, the wife of the crook Mendel, who was going around in joy parties all over the South, buying automobiles and hootch, and issuing money orders for them.

Mr. McDUFFIE. I agree with the gentleman that she was a crook and that the husband was a crook, but I do not agree with the gentleman that we ought to make the postmaster and the bank suffer for the reason that these others were crooks.

Mr. STAFFORD. Oh, no; but the only question is whether the bank should have had notice that these were being issued fraudulently.

Mr. SMITHWICK. They were always paid.

Mr. STAFFORD. Issued always for \$100 by the same person.
Mr. SMITHWICK. I understand; but it was a large bank with a great many clerks handling these orders. How could they know? They would go to the local post office and get the money on them.

Mr. STAFFORD. Mr. Speaker, I shall give the benefit of the doubt to the bank, and I withdraw the reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit the account of John N. Halladay, former postmaster at Oak, Ala., with \$8,012.13, and to certify said credit to the General Accounting Office, said sum being a balance due the United States which is chargeable to the embezzlement of funds and theft of money-order forms which were printed for and stolen from the post office at Oak, Ala., and unlawfully uttered in Pensacola, Fla., and Mobile, Ala., by Mr. and Mrs. Leon W. Mendel.

The SPEAKER. The question is on the third reading of the bill.

Mr. BLANTON. Mr. Speaker, I move to strike out the last word. If this money, or any part of it, went to this postmaster or his assistant, I should have objected to the bill. Here is the case: The postmaster permitted his married daughter to issue postal money orders. She had a crook for a husband, and under his domination and influence she issued postal money orders promiscuously to this crook and sent them to him in two States. He cashed them and spent the money. The postmaster ought to have been held responsible, and was held so far as his bond would go, but his bond did not go far enough. It lacked \$8,000 of paying the Government back the money that it lost when it had to pay the money orders. If the matter concerned only the postmaster, his daughter, and a crook husband, I would see to it that they never got a cent, but all of this money goes to the Post Office Department in settlement of amounts it has had to pay for the Government. The only reason I take any time at all is to bring this to your attention. We ought to take some steps to stop this sort of stealing. Embezzlement is going on in various post offices scattered all over the United States, and the bonds are not sufficient to protect the Government.

Just such cases as this come up not merely from Alabama, but they come up in Texas, they come up in New York State, they come up in California and Oregon, they come up everywhere, and how long are we going to let it go helter-skelter, public money being paid out to pay defalcations? We must see that the Post Office Department takes steps to see that the Government's rights are protected and proper bonds are taken in amounts and terms sufficient to cover defalcation by crooks, many of whom are still in the Post Office Service, and I say we ought to take steps, especially the Post Office Committee, in conjunction with the Post Office Department and the Department of Justice, to see if Congress can not stop the loss of the people's money.

The bill was ordered to be read the third time, was read the third time, and passed.

FIRST NATIONAL BANK OF NEW CARLISLE, IND.

The next business on the Private Calendar was the bill (H. R. 4667) for the relief of the First National Bank of New Carlisle, Ind.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object; there is an adverse report on this bill.

SHERMAN MILES.

The next business on the Private Calendar was the bill (H. R. 10177) for the relief of Sherman Miles.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maj. Sherman Miles, United States Army, the sum of \$380.55, in reimbursement of the said amount paid by him for the storage from January 1, 1917, to June 30, 1918, of household effects and professional books used by him when first lieutenant, Field Artillery, United States Army, military attaché at Sofia, Bulgaria.

The committee amendments were read, as follows:

Page 1, line 6, strike out "the sum" and insert "so much of the amount."

The question was taken, and the amendment was agreed to.

Page 1, line 7, after the figures insert the words "as has been refunded by him."

The question was taken, and the amendment was agreed to. The bill as amended was ordered to be engrossed and read the third time, was read the third time, and passed.

ROBERT E. WYCHE.

The next business on the Private Calendar was the bill (H. R. 13751) authorizing the Secretary of the Interior to sell and patent certain lands to Robert E. Wyche, a resident of Caddo Parish, La.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That upon the payment of \$1.25 per acre the Secretary of the Interior be, and is hereby, authorized to sell and patent to Robert E. Wyche, a resident of Caddo Parish, La., the southwest quarter of northeast quarter and southeast quarter of northwest quarter of section 15, township 20 north, range 11 west, Louisiana meridian, containing 80 acres, more or less, land which he and his grantors have occupied under claim and color of title, and of which they have had actual possession, beneficial use, and enjoyment, believing themselves to be owners in good faith, for more than 30 years: *Provided*, That application for the purchase of the described tract of land be filed at the United States land office at Baton Rouge, La., within 90 days after the passage and approval of this act, and that no adverse claim thereto be officially of record as pending when the application is allowed and the sale consummated.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

D. C. DARROCH.

The next business on the Private Calendar was the bill (S. 2946) for the relief of D. C. Darroch.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLANTON. Reserving the right to object—

Mr. PARKER of New Jersey. Mr. Speaker, I desire to say there were seven to six and I filed a minority report, and I am ready to argue and to fight the bill right here.

Mr. STAFFORD. Mr. Speaker, under those circumstances, I object.

JESSE C. DENNIS AND WILLIAM RHETT ELEAZER.

The next business on the Private Calendar was the bill (S. 2168) for the relief of Jesse C. Dennis and William Rhett Eleazer.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FULMER. I would like to inform the House that I propose to amend this bill, and I think the House should be informed before we pass the objection stage.

Mr. STAFFORD. Which one is that?

Mr. FULMER. Calendar No. 446.

Mr. BLANTON. Reserving the right to object, in what particular does the gentleman intend to amend it?

Mr. FULMER. By striking out the figures in line 7 of "\$2,500" and increasing the amount—

Mr. BLANTON. That being the case, I object.

Mr. FULMER. Will the gentleman reserve it?

Mr. BLANTON. I will reserve it.

Mr. FULMER. Mr. Speaker, this claim was made by two men in the city of Columbia who entered into a competitive bid for a mail route in South Carolina. The contract was awarded to these men—Dennis and Eleazer—for carrying the mail during peace time in 1916. They continued to carry that mail for about a year or a little over, and then about the middle of 1917 the Government established Camp Jackson at that place.

Not known to them at the time they accepted this contract, and, of course, the Government at that time did not know that they proposed to establish a camp there; but they continued for about seven and a half months after the camp had been established at a considerable loss until they had exhausted all of their means and had to give up the route in March, 1918.

Mr. BOX. Will the gentleman explain to the House by what error the amount called for in the bill was reduced so that it is found necessary to amend it? I think that is important for the House to understand.

Mr. FULMER. I want to lead up to that, and I was going to explain that. So they continued about seven and a half months at a tremendous loss, and finally, after they had exhausted their means, they gave up the contract March 7, 1918, forfeited their bonds, and the bonding company turned over to the Government the amount of the bond for the balance of the time, something like two years, \$3,420.

These people put in their claim, and the Senate passed the bill on the strength of a letter from Mr. Barrett, and when the bill came over to the Committee on Claims they did not

have anything to show that these people had really paid this \$3,420 to the bonding company, and they reported only \$2,500. In the meantime they agreed with me that if I could get the proper papers to show that these people had paid the \$3,420 an amendment would be put on from the floor. Mr. Barrett said, however, that he had no way of telling how much had been paid, but he said that the seven and a half or eight months would amount to \$2,500. That is the only information he gave to the committee, and that is the amount the committee reported.

Mr. EDMONDS. Mr. Speaker, I want to say that the fixing of this amount was through a mistake in the committee, and I think the only equitable way to pay this man would be to pay him \$4,285.

Mr. BLANTON. Mr. Speaker, I would like to call the gentlemen's attention to one or two matters. On July 1, 1916, which was the end of certain carriers' contracts for carrying the mail all over the United States, the Post Office Department advertised for new bids, and they let new four-year contracts. The contractors in almost every State in the Union entered into new four-year contracts. The war then came on in the next year. Gasoline went up, Ford automobiles went up, Ford tires went up, Ford inner tubes went up, lubricating oil went up, the parts to the cars went up, everything went up. It cost them all more money. They all lost money.

Now, if the gentleman's bill were a bill to relieve all of these contractors I would support it. But here is a little isolated case where the gentleman imagines that his particular constituents are the only ones that lost. I know two of the best men in the United States who had exactly the same kind of a contract.

They were under bond to carry the mail. They carried it up to the time that it broke them, and then they went to the Post Office Department and said, "Here, we want to give it up. We have got two more years to carry the mail. We will pay the bond. We will borrow the money and pay the bond if you will relieve us." The Postmaster General said, "No; we can not relieve you. You are under contract. If you do not carry that mail, we are going to hire somebody to do it, and you will have to pay it." The department hired somebody else to do it and paid them \$6.50 a day each more than the contractors ever received, and it broke them both.

Mr. TILSON. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. TILSON. Does not the gentleman recall that some time in 1918, in the midst of the war, there were so many of these cases of hardship that we authorized the Postmaster General by law to adjust these cases, and he did adjust a number of them?

Mr. BLANTON. Yes; but there was a limitation to that law, and there were many of them that did not come within the terms of it. I can cite case after case from numerous States that we have had under investigation which did not come under that law at all, and the Postmaster General did not give any relief.

Mr. TILSON. This was a case in bankruptcy.

Mr. BLANTON. There is a case down in Tennessee where they put a post, where the men claim that they lost \$23,000 on the contract.

Mr. STAFFORD. Mr. Speaker, I must demand the regular order.

Mr. BLANTON. I feel I must object. I object.

The SPEAKER. The gentleman from Texas objects.

The Clerk will report the next bill.

AMBROSE I. MORIARTY.

The next business on the Private Calendar was the bill (S. 2750) to provide for the advancement on the retired list of the Regular Army of Second Lieut. Ambrose I. Moriarty.

The title of the bill was read.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object.

Mr. MILLER. Will the gentleman withhold that?

Mr. STAFFORD. I will.

Mr. MILLER. Mr. Speaker, this is one of the most pathetic cases I have ever heard of. Lieutenant Moriarty was graduated at West Point in the class of 1887. He was a classmate of General Hersey, of the United States Army, and General Russell, and his class was one of the most famous classes that ever was graduated at the Military Academy.

The man has lain for 21 years in a hospital unable to move a joint of his body. Every joint in the man's body has grown solid. His teeth were removed so that they could feed him with a tube. He is suffering from that dreaded disease called arthritis deformans. He is unable to dress himself. He is unable to grasp his pen in his hand. There is not a joint in

the man's body that is not absolutely and solidly grown, so that the entire flexibility is gone.

He was retired from the Army as second lieutenant, drawing the pay of \$138.12 per month. There is no Army hospital that will receive him, because Army hospitals are not made for the care of incurables.

He has gone about from one hospital to another with his attendant. The amount of money that he receives is not sufficient to pay the care of this attendant and the board of himself. He inherited a few thousand dollars from his father's estate, which he spent completely in undertaking to cure himself of this dread disease. He contracted the disease in the service of the United States Government. In the winter of 1887 he and his company were encamped on the cold shores of Lake Michigan, sent there by the United States Government to be in readiness to protect the city and citizens of Chicago at the time of the execution of the Haymarket rioters or anarchists. Afterwards he resigned from the Army and entered Yale University. A brilliant student, he graduated in the law class and entered upon the practice of the law with probably as bright a future as any young man who ever came from that famous university. Thus he was a graduate not only of West Point but of Yale. His old love for the Army returned and he went back into the Army as a second lieutenant in the Ninth Infantry, and was stationed in Arizona, amid the awful extremes of heat and cold, as he was sent about in the Indian campaigns in that country.

The exposure to extremes of weather there resulted in this disease, and he was retired from the Army as a second lieutenant on the pay that I have stated. He has no means of his own, and his pay is insufficient for an attendant to feed him and take care of him. The Senate has passed this bill increasing his retired rank to that of a captain. It was hoped that it would pass him with the retired rank of a major, because that would keep him comfortably, but the Senate reduced it and retired him with the rank of a captain, which will give him approximately \$230 a month, a meager livelihood for a man so helpless and dependent as he is.

I tell you, my friends of the House, any man whose service for his country has resulted in such a physical condition as that of this man deserves to have this measure of relief afforded him, and I hope the House will join with the Senate in retiring him at this grade.

Mr. FIELDS. I understand he can not even help himself to a drink of water.

Mr. MILLER. He can not reach out his hand to get a drink of water; can not move a joint of his body. I am hopeful that the gentleman from Wisconsin will let this bill go through.

Mr. STAFFORD. Mr. Speaker, under reservation of objection, I am aware of the distressing circumstances that the gentleman has stated, because I have very carefully read the report. But we must have some harmony in the award of gratuities to persons afflicted like this unfortunate Army officer. In the early part of this Congress a case was presented where a man in civilian life, employed in the Post Office Department as a postal clerk, was struck and injured, and the result of the injury was the same as in the case of this unfortunate officer. That man is not able to move a joint of his body. He has to be fed, and all we voted for him was a pension of \$60 a month. This man is receiving \$128.

Mr. MILLER. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. MILLER. It is possible that the man of whom you speak has some friends or relatives. This man has not a relative in the world, no one to give him a friendly hand or a drink of water.

Mr. STAFFORD. There is no certainty that this trouble grew out of the man's Army service. There is a presumption to that effect. One hundred and twenty-eight dollars a month is a pretty liberal pension, and I feel constrained to object.

Mr. MILLER. I am very sorry.

The SPEAKER pro tempore. The gentleman from Wisconsin objects. The Clerk will report the next bill.

JOHN A. DOUGLAS.

The next business on the Private Calendar was the bill (H. R. 1252) to remove the charge of desertion from the military record of John A. Douglas.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. I object.

Mr. MILLER. I suppose there is no use in my making a statement.

Mr. STAFFORD. I will reserve the objection. A few moments ago the gentleman from New Jersey called attention to one of these desertion cases where the vote in the committee was 7 to 6. I am quite well acquainted with the facts in this case. Perhaps the gentleman is better acquainted with them. Here was a boy taken ill in the Army, who went home to be cared for, and was prevailed upon by his mother not to return to the Army but to go to Canada to avoid service in the Army. Now he wishes to have an honorable discharge. Is that a correct statement of the facts?

Mr. MILLER. Not all.

Mr. STAFFORD. I mean in short, is it?

Mr. MILLER. This boy was 17 years of age. He enlisted in the Army against the wishes of his parents. He went to the front. It seems that his Army life was overshadowed with distressing sickness. He was furloughed and sent home. While he was home his regiment and company were mustered out of the service, and the muster roll bears the indorsement "Absent on sick leave at Davisville, Mich.," which was the boy's home.

Mr. STAFFORD. Will my friend kindly point out in the report where that statement is made? I have read the report twice quite thoroughly, although not every line of it.

Mr. MILLER. There is quite a long report from the Adjutant General on this case. It says here—

On February 28, 1865, and April 30, 1865, he was reported absent on sick furlough, and on the muster-out roll of the company, dated June 26, 1865, he was reported a deserter with remark: "Went on sick furlough at Davisville, Mich., February 18, 1865."

That is at the top of page 2.

Mr. STAFFORD. Where does it state about the company's record?

Mr. MILLER. I can simply read to the gentleman from Wisconsin the report of The Adjutant General of the War Department:

The records show that John Douglas was enrolled February 26, 1864, at Pontiac, Mich., and was mustered into service February 29, 1864, as a private in Company G, Twenty-second Michigan Volunteer Infantry, to serve three years. On February 28, 1865, and April 30, 1865, he was reported absent on sick furlough, and on the muster-out roll of the company, dated June 26, 1865, he was reported a deserter, with remark: "Went on sick furlough at Davisville, Mich., February 18, 1865."

Applying to this department for removal of the charge of desertion and for an honorable discharge, John Douglas under date of January 14, 1890, testified as follows:

"That he served faithfully until on or about the 17th day of January, 1865, when, without any intention of deserting, he left the regiment under the following circumstances: That for about two months previous to January 17, 1865, at Chattanooga, he was sick, and on or about said January 17, 1865, or a few days previously, Doctor McConnell, regimental surgeon there, examined him and ordered him sent home, and on or about said day he was given a furlough by said doctor on account of sickness and disability, and came home. That after coming home he was examined by one Doctor Anderson, a Government physician then at Lexington aforesaid, and when his furlough run out it was extended in time by said Doctor Anderson. That he continued sick and unable to do any work and entirely unfit for service in the Army or labor of any kind until along in the early part of the summer of 1865. That he was not able to do soldier duty until long after the Army was disbanded. That he was young and inexperienced and was unadvised as to the proper course to pursue in the premises and did not know the necessity of a discharge and never asked for one. That he never deserted the Army or intended to desert it, but simply came home on the order of the regimental physician, Doctor McConnell, as aforesaid."

Mr. STAFFORD. Let me read what I based my statement on:

He was taken ill at Atlanta, remained with the regiment until it went into winter quarters at Chattanooga, Tenn., was sent home on a furlough for 30 days; the time of furlough was extended for 20 days, but his mother insisted that he go to Canada with an uncle who was then visiting at his home. He remained there until the close of the war.

Mr. MILLER. Yes; it seemed that an uncle or some relation came from Canada and asked permission of the mother to take the boy home to see if he could not be cured and restored to health. There is nothing in the record, I submit to the gentleman from Wisconsin, showing that this man was a deserter, but, on the contrary, that he was one of these unfortunate men whose Army career seemed to be full of sickness. I think the man is entitled to the relief which the committee recommends.

Mr. GLYNN. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. GLYNN. The 30 days' furlough carried it beyond the date of the armistice, and so presumably the soldier thought there was nothing more to do.

Mr. MILLER. Yes; like many others.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to remove the charge of desertion standing on

the records of the War Department against John A. Douglas, late of Company G, Twenty-second Regiment Michigan Volunteer Infantry, and grant him an honorable discharge as of date of February 18, 1865.

The following committee amendment was read:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, John A. Douglas, who was a member of Company G, Twenty-second Regiment Michigan Volunteer Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of that organization on the 18th day of February, 1865."

Mr. STAFFORD. Mr. Speaker, I offer the following amendment to the committee amendment:

The Clerk read as follows:

Page 2, at the end of line 6, add the following: "Provided, That no pension pay, bounty, or other allowance shall accrue prior to the passage of this act."

The SPEAKER. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended.

JESSE C. DENNIS AND WILLIAM RHETT ELEAZER.

Mr. BLANTON. Mr. Speaker, with the understanding that not more than the amount stated in the original bill will be allowed, I withdraw objection to Calendar No. 446.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that we return to Calendar No. 441.

The SPEAKER. The Clerk will report the title to the bill.

The Clerk read as follows:

S. 2168. An act for the relief of Jesse C. Dennis and William Rhett Eleazer.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The next business on the Private Calendar was the bill (S. 2168) for the relief of Jesse C. Dennis and William Rhett Eleazer.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jesse C. Dennis and William Rhett Eleazer, of the county of Richland and State of South Carolina, in the sum of \$4,590 in full compensation for loss and damage suffered by the said Jesse C. Dennis and William Rhett Eleazer under their contract for transporting United States mail at Columbia, S. C., said loss having been brought about by the establishment of Camp Jackson in the vicinity of Columbia subsequent to the execution of said contract.

With the following committee amendment:

In line 7, strike out the figures "\$4,950" and insert in lieu thereof "\$2,500."

Mr. BLANTON. Mr. Speaker, the gentleman who has the bill in charge and members of the committee stated that the committee amendment ought to be voted down and the amount \$4,590 left in the bill.

Mr. MONDELL. Mr. Speaker, after a bill has come up by unanimous consent and there is a demand for the original sum—if that is going to be the practice I do not think we will get much further along with the Calendar.

Mr. BLANTON. That was understood.

Mr. FIELDS. The gentleman gave notice that he would ask for the original sum in the bill.

Mr. MONDELL. I did not hear it.

Mr. STAFFORD. I understood the position taken was that the gentleman was going to withdraw the objection by reason of the gentleman from South Carolina agreeing to take the amount of \$2,500.

Mr. BLANTON. The gentleman from South Carolina was going to offer an amendment to increase it to over \$5,000, and I told him I would object if he did it. He agreed to limit the amount to \$4,590, the amount stated in the bill, and I withdrew the objection. By voting down the committee amendment it will leave the amount \$4,590. I gave notice, and I thought everybody understood it.

Mr. MONDELL. I did not understand it. This is a very doubtful claim at any rate. I should have objected in the first instance if I had known there was going to be any increase in the amount.

Mr. EDMONDS. As a matter of fact, this loss was occasioned by the fact that there was a camp established there.

Mr. BLANTON. And the chairman of the committee was one of those who convinced me that this is a just claim in \$4,500.

Mr. EDMONDS. We have passed claims of this character before, and this amount will be the correct amount, I think. These men were carrying the mail ordinarily. A camp was established in the neighborhood, and the extra cost of carrying the mail is what has caused their loss. If we vote down the committee amendment, it will leave what I think is the correct amount.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was rejected.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

MARTIN CLETNER.

The next business on the Private Calendar was the bill (S. 2632) to correct the military record of Martin Cletner.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MONDELL. Mr. Speaker, I object.

Mr. MILLER. Mr. Speaker, will the gentleman withhold his objection?

Mr. CURRY. Mr. Speaker, I hope the gentleman will withhold his objection.

Mr. MONDELL. I reserve the objection.

Mr. CURRY. Mr. Speaker, this is a bill that I think ought to be approved by the unanimous consent of the House. A couple of days ago we adopted an amendment to the Army appropriation bill prohibiting the enlistment of persons under 21 years of age. Of course, I did not believe in that amendment, but, nevertheless, it was adopted. During the Civil War, both North and South, the boys were fired with patriotism and enlisted on both sides. In Pennsylvania a young man a little over 16 years of age wished to enlist in the Army.

Mr. MILLER. Nineteen years of age.

Mr. CURRY. He was 19 years old when he was discharged. His father objected, and he ran away from home, and under an assumed name he enlisted. He served faithfully, and while with his company and regiment on the Potomac River near Harpers Ferry, not having much to do at the time, he went fishing on the river. He got a little way away from the camp and was captured by Mosby's men. He was such a child that after they had him for two or three days they took the uniform off him and put on a Confederate uniform and told him to go home.

He tried to find his company, but could not do it. He went home at last, and his father told him that he had secured his release from the Army. He stayed home about a year. He found that what his father told him was not true. He ran away from home again and enlisted under his right name and served to the end of the war, and had an honorable discharge. During his second enlistment he was in several engagements and was captured for nine months. He was a prisoner of war in Andersonville prison. I know this old man very well.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. CURRY. Yes.

Mr. BLANTON. The report shows that he first enlisted in July, 1862.

Mr. CURRY. Yes.

Mr. BLANTON. He served for four months and deserted, and he was a deserter from November, 1862, until January, 1864?

Mr. CURRY. Yes.

Mr. BLANTON. When he reenlisted under an assumed name.

Mr. CURRY. No; under his own name. He enlisted originally under an assumed name.

Mr. BLANTON. He stayed in the service from January until May, 1864?

Mr. CURRY. Until the end of the war.

Mr. BLANTON. No; the report shows that on May 27, 1864, he was again missing in the line of march.

Mr. CURRY. He was again missing in the line of march, and he was captured and was in Andersonville Prison. After he got out of prison he reported to his regiment and received an honorable discharge. He did not desert the first time. It is simply a technical desertion.

Mr. BLANTON. I am sure the gentleman is right in his position, but I want him to explain a statement in the report. After he enlisted in July, 1862, and deserted four months afterwards, the report shows that Martin Cletner was enrolled January 5, 1864, was mustered into the service January 22, 1864, and that on the roll of his company dated June 30, 1864,

he was reported as missing on the march from Wright Tavern, May 27, 1864, and on the roll dated October 31, 1864, as having deserted on the above-mentioned march on May 27, 1864.

Mr. CURRY. Let the gentleman read the rest of it.

Mr. TILSON. He was in Andersonville prison about that time.

Mr. BLANTON. The record shows that he was captured June 3, 1864.

Mr. CURRY. Yes.

Mr. BLANTON. He was missing May 27, and he was captured June 3.

Mr. CURRY. There was no desertion at all in the second enlistment.

Mr. BLANTON. There were several days from his desertion until his capture.

Mr. CURRY. There was no desertion at all in his second enlistment and he received an honorable discharge.

Mr. STAFFORD. Mr. Speaker, I shall have to insist upon the regular order.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to remove the charge of desertion from the military record of Martin Cletner, late of the First Independent Company, Pennsylvania Volunteer Engineers, and of Company C, Third Regiment New Jersey Volunteer Cavalry, and grant him an honorable discharge.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Martin Cletner, who served under the name of Martin Cubbler as a member of Captain Wrigley's independent company, Pennsylvania Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of that organization on or about the 24th day of November, 1862."

The SPEAKER. The question is on agreeing to the committee amendment.

Mr. STAFFORD. Mr. Speaker, I move to amend the committee amendment by an amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. STAFFORD: At the end of the committee amendment insert: "Provided, That no pay, pension, bounty, or other allowance shall accrue prior to the passage of this act."

The SPEAKER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended to read: "An act for the relief of Martin Cletner."

HARRIET B. CASTLE.

The next business on the Private Calendar was the bill (H. R. 14089) granting six months' pay to Harriet B. Castle.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to cause to be paid, from the appropriation for beneficiaries of officers who die while on the active list of the Navy, to Harriet B. Castle, widow of Guy W. S. Castle, late Lieutenant commander, United States Navy, an amount equal to six months' pay at the rate the said Guy W. S. Castle was receiving at the date of his death.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

MRS. JOHN D. HALL.

The next business on the Private Calendar was the bill (S. 3412) for the relief of Mrs. John D. Hall.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. I object.

Mr. EDMONDS. Will the gentleman reserve that?

Mr. STAFFORD. For one minute.

Mr. EDMONDS. I would like to call the attention of the gentleman to the fact that every other officer who had property damaged was paid the damages except Colonel Hall, who happened to be traveling throughout the country and could not get his claim in time.

Mr. STAFFORD. Mr. Speaker, the facts are these: The property of this Army officer was in storage over a year in San Francisco. He was retired one month before the earthquake. He left there and was traveling over the country. Why should he not have insured the property rather than have the Government pay for it. I object.

CHARLES B. STRECKER.

The next business on the Private Calendar was the bill (H. R. 6108) to permit the correction of the general account of Charles B. Strecker, former Assistant Treasurer of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, I object.

TRYGVE KRISTIAN LODE.

The next business on the Private Calendar was the bill (H. R. 8291) for the relief of Trygve Kristian Lode.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this is a bill that seems to have been hurried through by the energetic action of the very active and distinguished gentleman from Minnesota [Mr. Newton]. I find on reading the report the committee acted upon the statement of the gentleman rather than the report of the department that this Jens Lode was not receiving the credit for the money that had been paid at the time of the entry by the original Lode.

Mr. NEWTON of Minnesota. Yes. That question was not put up to the department by the correspondence that had preceded. The matter was presented to me through Mr. Honeycutt by mail and the committee was having a meeting very shortly following and that question came up, and I said I did not know anything but what was in the letter that came to me but that I would call up the Public Land Office and get the facts.

I called them up, and they looked into the matter and called my office and advised me that the Government had \$224 that the man had paid in and that there was no assignment or anything of that kind, so the Government had every dollar that was paid in and in addition got the money coming from the man who had succeeded to the interest of the soldier, who went in the Army shortly after he filed on the claim.

Mr. STAFFORD. This successor in title, so to speak, Jens, paid the entrance fee and all the other fees?

Mr. NEWTON of Minnesota. Yes.

Mr. STAFFORD. I withdraw the objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to certify to the Secretary of the Treasury the amount paid as fees, commissions, and purchase money by Trygve Kristian Lode in connection with homestead entry at the United States land office, Glasgow, Mont., as follows: Serial No. 048301, made May 8, 1917, for the southeast quarter of section 28, township 30 north, range 52 east.

Sec. 2. That upon receipt of the certificate from the Secretary of the Interior, as provided in section 1 of this act, the Secretary of the Treasury is hereby authorized and directed to make payment of the amounts so certified out of any moneys not otherwise appropriated and issue his warrant in settlement thereof.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

PENSIONS, ETC.

The next business on the Private Calendar was the bill (H. R. 14288) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. I ask unanimous consent that this bill take its place at the foot of the calendar and be considered after these bills have been considered.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

LEASE OF CERTAIN LAND, MILITARY RESERVATION, FORT LEAVENWORTH, KANS.

The next business on the Private Calendar was the bill (H. R. 13004) authorizing the Secretary of War to lease to the Kansas Electric Power Co., its successors and assigns, a certain tract of land in the military reservation at Fort Leavenworth.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. BLANTON. Mr. Speaker, I ask that the bill be reported, subject to objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he hereby is, authorized and empowered to lease to the Kansas Electric Power Co., a corporation, its successors and assigns, for a consideration and under terms and conditions to be determined by said Secretary of War, the following-described tract of real estate in the military reservation at Fort Leavenworth, in the State of Kansas:

Beginning at a point which is located as follows: Starting from the northeast corner of the east coping of concrete bridge on Grant Avenue over the Leavenworth, Kansas & Western Railroad; thence north 71° 6' east, a distance of 1,073.8 feet, to the northwest corner of the United States Government motor transport building; thence north 72° east along the line parallel to the north side of said United States Government motor transport building, a distance of 1,028.3 feet to the aforesaid point of beginning; thence south 18° east, a distance of 847 feet; thence north 72° east, a distance of 433 feet, more or less, to a point located on the west right-of-way line of the said Leavenworth, Kansas & Western Railroad. Returning to the original point of beginning; thence north 18° west, a distance of 850 feet, to a point; thence north 72° east, a distance of 543 feet, more or less, to a point located on the west right-of-way line of the Missouri Pacific Railroad; thence in a southerly direction along the west boundary of the Missouri Pacific Railroad right of way to said point above mentioned on the west right-of-way line of the said Leavenworth, Kansas & Western Railroad; exclusive of the rights of way granted to said Leavenworth, Kansas & Western Railroad and said Missouri Pacific Railroad, and containing, exclusive of said railroad rights of way, 15.5 acres, more or less; reserving, however, to the United States, or its assigns, the coal, or royalty for the coal, underlying said lands; for the purpose of constructing and maintaining thereon an electric power plant and such other works as may be necessary or proper to enable said corporation, its successors or assigns, to furnish Fort Leavenworth, the disciplinary barracks, the Federal prison, the soldiers' home, and the motor transport shops, together with the city of Leavenworth and such other communities and patrons as may be served by said plant, with an adequate supply of electrical energy.

Sec. 2. That said corporation, the Kansas Electric Power Co., its successors and assigns, shall have the continuous and uninterrupted use of said real estate for the uses and purposes herein above set out, under the direction and control of the Secretary of War and subject to the terms and conditions of the lease to be executed by said Secretary of War as herein provided, so long as said tract shall be used for the purposes herein specified: Provided, however, That if said corporation, its successors or assigns, shall cease to use and occupy said premises for such purposes, then and in that event said lease shall become null and void.

Sec. 3. That this act shall take effect and be in force from and after its passage.

Mr. BLANTON. Mr. Speaker, reserving the right to object, there are several points of proper objection to this bill I will state to my friend from Kansas, and I would like for him to explain. The way the bill is written you can see it is contemplated that the continuous use of this property—15½ acres—for all time and eternity is to be granted to this corporation. We do not know what we are going to get for it. There is no stipulation as to the time. It is not for a term of years. It is just left entirely to the discretion of the Secretary. You see what I contend for. The coal royalty is reserved to the Government. Why should it not be that oil and other minerals royalty be reserved to the Government? Usually where you find coal you find oil and valuable gas and other valuable minerals.

Mr. ANTHONY. Coal is the only mineral known to exist in that part of the country.

Mr. CLARKE of New York. I would like to know why there should not be a general mineral reservation in there, applying to all minerals. I think that is a very proper reservation.

Mr. BLANTON. And there ought to be a fixed term of years here, and there ought to be something else besides furnishing power at a stipulated price. It is something to have power.

Mr. CLARKE of New York. Unless the gentleman will assure us that there will be an amendment in there for a general mineral reservation I shall have to object.

Mr. ANTHONY. I have no objection to that.

Mr. STAFFORD. I will say that I intend to offer an amendment following the suggestion of the Secretary of War, that it shall be for a term of 50 years with the privilege in the discretion of the Secretary of renewal for a like term.

Mr. BLANTON. What does the Secretary of War say?

Mr. STAFFORD. Secretary Weeks goes into it and says this will be an advantage to the Government.

Mr. BLANTON. Except furnishing power at the same price that they charge everybody else. I am glad to see that the new majority whip is onto his business and is going to see to it that these limitations are placed on these bills.

Mr. STAFFORD. There are two aspirants for that post tonight.

Mr. ANTHONY. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. ANTHONY. This is an authorization of a lease. It places in the hands of the Secretary of War the full power for properly protecting the Government and prescribing the terms of the lease. The fact is this company wants 15 acres of ground on the reservation, which is low and swampy, of no governmental use. It has been investigated by the commanding officer at Leavenworth, and by a Quartermaster officer sent out by the Secretary of War, and it is fully approved by him, and his approval is fully set forth in the report.

Mr. BLANTON. If it were any other Member than our colleague here from Kansas, I should not be so disposed to object. [Laughter.] Because of all the Members of the House he least of all needs to carry home any bacon. [Laughter.] It looks to me like 15½ acres of Government land bacon.

Mr. ANTHONY. You will notice that the Secretary of War proposes to exact a rental return equivalent to the estimated value of the 15 acres of land, and he says the corporation has agreed to make a material reduction in the present rates charged for electricity, so that he says the lease will be of material advantage to the Government at this time. My own estimate is that there will be reductions in the electrical rates for the four governmental institutions mentioned in the bill. If they take electricity from this new plant, that will amount to not less than a \$10,000 saving. The Government is now paying about \$60,000 a year for electricity.

Mr. BLANTON. The gentleman will not object to placing in here a limitation in addition, to the effect that the Secretary of War will not make the term longer than 25 years at a time?

Mr. ANTHONY. In my opinion 50 years will be short enough, because undoubtedly the company intends to bond itself for the erection of a plant.

Mr. BLANTON. We should treat them as we do foreigners, and make it 62 years. [Laughter.]

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I offer the following amendment on page 1, line 4.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 1, line 4, after the word "lease," insert "for a term of 50 years, with the privilege, in the discretion of the Secretary of War, of renewal for a like term."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. BLANTON. Mr. Speaker, there is another amendment that the gentleman from Kansas is going to offer. If he does not offer it, I will offer it. On page 3, line 3, after the word "coal," insert "and other minerals," and after "royalty" strike out the words "for the coal" and insert "on same."

Mr. PARKER of New Jersey. Are oil and gas regarded as minerals?

Mr. TINCER. Yes.

Mr. CLARKE of New York. That is so.

The SPEAKER. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 3, line 3, after the word "coal," insert the words "and other minerals," and after the word "royalty," strike out the words "for the coal" and insert "on the same."

Mr. STAFFORD. Mr. Speaker, will the Clerk please report the latter part of the amendment?

The SPEAKER. The Clerk will again report the amendment. The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 3, line 3, after the word "coal," insert the words "and other minerals," and after the word "royalty," in the same line, strike out the words "for the coal" and insert "on the same."

Mr. BLANTON. Mr. Speaker, I ask leave to so modify it.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER. The Clerk will report the next bill.

FORE RIVER SHIPBUILDING CO.

The next business on the Private Calendar was the bill (S. 1298) to carry out the findings of the Court of Claims in the case of the Fore River Shipbuilding Co.

The title of the bill was read.

The SPEAKER. Is there objection to the consideration of this bill?

Mr. BLANTON. I object.

The SPEAKER. The gentleman from Texas objects.

Mr. EDMONDS. Will the gentleman reserve his objection?

LEAVE TO EXTEND REMARKS.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the seventy-odd proposed amendments to the Constitution of the United States.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, we are told that there are now pending over 70 different propositions to amend the Constitution of the United States. As I am not the author nor am I especially interested in any such proposals, I feel that I can discuss the general demand for such amendments without any personal bias or concern. I feel that I am in a position to consider the matter from a nation-wide aspect, having in view at one glance the entire past history of our country and looking forward with faith and confidence to a still greater future for the American people. We must remember that formal and written constitutions are relatively a very modern invention. We must also remember that constitutions are but statutes speaking the sovereign will of all the people in a solemn manner for the purpose of organizing the government itself. Therefore constitutions are the law fixed by the people to govern the government and to prescribe its relations to the people collectively and individually.

NEARLY EVERYBODY WANTS SOME CHANGE.

The amendments now pending may be grouped into two general classes: First. Those that seem to indicate some sort of dissatisfaction with the Federal organic law as it now exists. These wish a change to meet what they consider to be changed conditions. Second. The second group of proposed amendments represents the attitude of those who do not wish any change and, therefore, seek to make any future changes more difficult. Paradoxical as it seems, the second group who seek changes are most earnestly opposed to any change except the changes proposed by themselves. This group proposes to change the article of the Constitution with reference to amendments to the Federal Constitution by providing that any State may require that any amendment to the Federal Constitution in future shall be submitted to a popular vote in order to constitute ratification by such State.

AS PEOPLE CHANGE, SO MAY CONSTITUTIONS.

It seems to be assumed by some that it was a mistake on the part of the makers of the Constitution to provide for any change whatever in the future except by well-nigh unanimous consent. The argument assumes that if the Constitution had not contained a clause prescribing the manner in which the same might be amended that therefore it could never have been amended. Such an assumption is unfounded. The very power of the people that created the Constitution, acting through the several States, could change it just as they created it. It is beyond the power of one generation to bind the hands of future generations by any constitution or law. Just as it is beyond the power of one Congress to pass any law which can not be repealed or amended by a future Congress, so the people acting in a sovereign capacity at one time can not bind the same people acting in the same way for all future time.

Mr. Speaker, some superficial text-writers in discussing our constitutional system have left the impression that the Federal Constitution was and is the foundation of all government in America, and they have stated positively and clearly that the several State governments and constitutions are modeled and framed after the fashion of the Federal Constitution. Many historians, being caught by the laudatory phrases of Gladstone with reference to our Federal Constitution being the "most wonderful work ever struck off by the brain and purpose of man at a given time," have left the impression that the Federal Constitution was something entirely and completely new at the time it was set up. This false assumption has led to the impression by many unthinking and impressionable people that the men who sat in the convention at Philadelphia from May until September, 1787, and framed the draft of the Federal Constitution to propose to the States were so wise and so learned and so patriotic as to be practically inspired by divine wisdom and power.

I yield to no man, Mr. Speaker, in my respect for the heroic men of that period. But it is not necessary to show one's admiration and prove one's patriotism by obscuring the actual historical facts. The facts are that the men in that convention were hard-headed, practical men of affairs. That Constitution represents many compromises and is the result of many conflicts. That Constitution was the most matter-of-fact, nonsentimental, utilitarian instrument that the men of that period could execute. In fact, about 50 years after the Constitution became operative there developed a cult so profoundly moved by a conviction of duty to abolish chattel slavery in negroes that when they saw provisions in the Federal Constitution recognizing the existence of slavery and pledging the Federal Government to exercise its power in some respects to protect the slave owner in his prop-

erty, they declared that Constitution of the fathers to be "A league with death and a covenant with hell." William Lloyd Garrison, the author of this denunciation, is honored in many parts of our country, not only in the textbooks but his form and features perpetuated in bronze and marble in the most public places.

This remark quoted above of the great Gladstone was a part of a bright epigram in order to contrast the difference between the British constitution as a "growing organism" as against the American Constitution as a "fixed organism." In the same breath he described the British constitution as "the most subtle organism which has proceeded from progressive history." But rhetorical expressions employed for the purpose of emphasis must not be relied upon as historical facts. In truth both the American Constitution and the British Constitution are the products of progressive history. They are both living organisms and are both constantly changing in two ways: First, by practice and interpretation, and next by conscious amendment or addition.

In fact, Mr. Speaker, there is very little room for originality in matter relating to governments. Most of us are apt to believe that the Declaration of Independence was an original composition inspired by the heart and brain and formulated by the pen of Thomas Jefferson alone. As a matter of fact, a little digging into the prior history shows that the stately phrases and lordly sentences of that immortal document are largely accumulated from a variety of sources extending over many years. Many of the thoughts and some of the words are to be found in the famous charge to the grand jury by Judge Drayton at Cheraw, S. C., in 1765. The sturdy frontiersmen of western North Carolina had met at Charlotte, N. C., on May 20, 1775, and promulgated the "Mecklenburg Declaration of Independence." The stalwart lovers of liberty in Virginia in May and June, 1776, led by George Mason, formulated the first Bill of Rights to find place in any American Constitution. The most casual reading of that epoch-making Virginia document will show that Thomas Jefferson was debtor to George Mason. James Otis in Boston was thundering forth the same immortal sentiments. Scores of newspapers and magazines and pamphlets were scattering the principles of free government amongst the Colonists for at least five years before they were all concentrated and boiled down into one single eloquent utterance on July 4, 1776.

HISTORIC ROOT OF DEMOCRACY.

But back of all this feeling and thought and discussion was a universal evolution of ideals respecting the fundamental principles of government. John Milton had gathered but a mustard seed of truth from Plato and Thomas More and Oliver Cromwell and from hundreds of other sources and had produced a living, vigorous plant of literature upon the subject. John Locke had discussed the subject with philosophic abstraction and with a decorous deference to existing institutions so as not to render insecure his own place and fortune, but those who read between the lines and those who made logical application of his propositions could but see that they inevitably led to the conclusion that government rests upon the consent of the governed; that the majority of the governed have the right to alter their government at will; and that there rests upon the majority the obligation so as to administer to the government as to secure the life, the liberty, and the opportunity to pursue happiness to all the people.

THE PEOPLE, NOT PAPERS, PRESERVE LIBERTY.

Mr. Speaker, I notice recently a cult that ascribes something like inspired significance to the abstractions contained in the preamble to the Federal Constitution. One writer says "the preamble contains the key to the Constitution, it utters its spirit, and unfolds its deep philosophy." Mr. Speaker, such superficial sentimentality is more apt to be hurtful than helpful. Sensible people do not have to set up idols in order to worship. Reasonable people know that God Almighty did not hand down the Constitution of the United States along with the Ten Commandments from the glorious heights of Sinai. People with common sense know that the matter-of-fact framers of the Federal Constitution were human and with limited human vision, and that the permanence and stability of their work is not due to any peculiar and God-given power, nor to any sudden stroke of superior genius, but is due to the traditions of liberty and order that rest in the people themselves of these States, and is further due to the enlightenment and to the devotion to the ideals of civilization that the succeeding generations have entertained. From early times men have argued that because the preamble contained these words, "to promote the general welfare," then the Federal Government can and should enact any legislation and enter into any activity that may conceivably promote the gen-

eral welfare. Of course, a sober second thought will reveal to such hasty thinkers that the purpose of the people in establishing the Federal Constitution was to promote the general welfare in so far as such promotion was possible by the exercise by the Federal Government of those powers expressly conferred upon it by the Constitution.

I wonder what these rhapsodists would say about the expression "to secure the blessings of liberty to ourselves and to our posterity"? How would they define liberty? Where is that liberty defined in the Constitution? I well imagine that nearly every person has a different conception of liberty. The bootlegger has one conception and the consistent prohibitionist another conception. As a matter of fact, the terms "liberty" and "freedom" and "justice" can not be completely defined by anyone and the mind can only partially conceive of their meaning by a comprehensive study, not only of existing law and of existing institutions but of the evolutionary processes by which Anglo-Saxon institutions have developed.

THE TRIPARTITE DIVISION OF POWERS.

It is falsely assumed that the framers of the Federal Constitution were the first to divide the powers of government into three equal and coordinate divisions, known, respectively, as the legislative, executive, and judicial departments. As a matter of fact, 11 of the 13 original States had very shortly after independence was declared in 1776, and at least one and maybe others before the Declaration of Independence, had proceeded to frame State constitutions in which the tripartite division of powers was clearly outlined. The constitution of Massachusetts, framed in 1780, is an orderly and systematic distribution of these three chief governmental powers. The men of that period who read at all were usually very familiar with the writings of Montesquieu on the "Spirit of Laws," published about 1758, and he clearly outlines the division of the powers of government into legislative, executive, and judicial.

It is also stated upon apparently good authority that Montesquieu obtained his ideas from reading the works of John Locke, which were published about the year 1691. However, a consideration of Locke's "Treatise on Government" discloses the fact that Locke seems to have ignored the judicial department of government. He divides the powers of government into legislative and executive and then he subdivides the executive powers into domestic and federative. By domestic he means the enforcement of laws among the people at home, and by federative he means handling the diplomatic affairs of the government in its relation with all foreign governments. I assume that in the classification of Locke the judicial powers would be included within the classification of "domestic executive powers." In other words, he would consider the courts as but agencies by which the government executes the laws enacted by the legislative branch. As a matter of fact, there is a very close and intimate contact between the executive and judicial departments. In the first place, so far as criminal laws are concerned, the executive department of the government must first institute criminal proceedings and then prosecute them before the courts and after judgment is rendered must take charge of the convicted person and enforce the judgment of the court. In other words, the court is powerless to act except upon cases affirmatively brought before it by the executive department, and the court is powerless to enforce its judgments except by the power lent it by the executive department.

The court is like a man without either hand. It can not stretch out its right hand to grasp offenders and bring them into court, and it can not stretch out its left hand and punish offenders duly convicted. The court is personified by the brain and the heart of the person without either hand. It has the brain to perceive the facts and judgment to weigh the facts, and the conscience to do what truth demands and the lips to pronounce the decision of head and heart, and there the court stops. How tremendously important it is, therefore, that the court should never decide except upon full hearing into all the facts, and that its decisions should reflect a conscience free from passion and void of selfish interest.

THE ONLY ORIGINAL FEATURE.

There is not a single original idea in the Federal Constitution so far as government in general is concerned, though there is an original application of a well-established governmental principle as applied to Federal Government. This original feature is the fact that under Federal Government, in contrast with that existing under the former Articles of Confederation and in contrast with all other federated governments, it was to have the power of directly taxing the citizens of the whole country for the support of the Federal Government, and the laws of this Federal Government were to be directly and im-

mediately obligatory upon the citizens of all the States within the confederation. Consequently we have the original and novel situation of two entirely separate and distinct governments operating at the same time upon the same people and within the same territory. It is not to be wondered at that there should have developed misunderstandings and conflicts between these two separate and distinct governments, and therefore the student of history and of government is not surprised that these controversies resulted in the War of Cession, commonly called the Civil War, but more properly and appropriately designated as the War between the States.

LET CONGRESS STOP PASSING UNCONSTITUTIONAL LAWS.

Mr. Speaker, the matter of the power of the courts to declare an act of the legislative department, having received Executive approval, to be void because of unconstitutionality is receiving a great deal of consideration at this time. Without discussing the merits of that question one way or the other, I desire to present a consideration which should eliminate the question just mentioned to the realms of academic discussion. If the Members of Congress and the President would do their duty, then no Supreme Court would ever have a chance to declare an act of Congress unconstitutional. It is the habit of "passing the buck" by Members of Congress that has brought about a situation that is giving concern to many people. Let me remind the Congress and the country that there is the same high obligation upon the Members of Congress to protect and defend the Constitution that there is upon the President and the members of the Supreme Court. As a matter of fact, the constitutional oath administered to the President requires him "to protect and defend the Constitution." The oath taken by every Member of Congress binds him "to protect and defend the Constitution," but when you come to the oath prescribed by law to be taken by every judge of the United States courts from the Chief Justice of the Supreme Court down, you find that it binds the judge "to administer justice without respect to persons and to do equal right to the poor and the rich agreeably to the Constitution and laws of the United States." So there is the chief and primary obligation on the Members of both Houses of Congress to say whether the bill proposed to be enacted into law is constitutional. In fact, that ought to be the first question asked.

If that question is answered affirmatively, then the question of the wisdom and policy of the proposed legislation may be considered. It should make no difference with a Member as to his sympathy with the aim and object of the legislation. The question of constitutionality or unconstitutionality meets him at the very threshold if he is to remember his oath. I fear that too many are apt to say: "Oh, the constitutionality is a matter for the courts. We think the legislation will do good and it may never get into court, and if it does at least five of the members of the Supreme Court may be so much in sympathy with the object of the legislation that they will do as Congress is doing, to wit, sacrifice the Constitution for some economic or social or political purpose."

CONGRESS BEST JUDGE OF CONSTITUTION.

Mr. Speaker, the courts have a great deal to say about what was the intention and the purpose of the framers of the Constitution. I feel satisfied that the framers of the Constitution never intended that the Members of Congress would neglect their duty in passing conscientiously and deliberately upon the constitutionality of proposed legislation. The framers of the Constitution knew that future Members of the Congress could know as much about the purpose and intent and plan and scope of Federal Government and the Federal Constitution as any members of the Supreme Court. The framers of the Federal Constitution knew that it was not any cryptic, or mysterious, or unnatural instrument with some hidden and weird and puzzling meaning that could be ascertained only by being juggled over and "conjured" in a dark room. On the contrary, they knew that the words of the Constitution were a rather inadequate expression of its spirit and purpose. They knew that the principles of liberty, if they are to endure, must reside in the breasts and brain of the people rather than in musty and mysterious documents.

The framers of the Constitution knew that when all their language was taken together it would plainly reveal, especially when construed by the rule fixed in the tenth amendment, that it was to be and is a government of limited powers, and that unless a power were expressly conferred or fairly implied as necessary and proper for the execution of the express powers, then all such was denied to the Federal Government and must be exercised by the States and by the States alone. Surely they knew that all the Members of Congress for all future time would be able to understand the English language, and they had reason to assume that many Members of the future Congress

would be trained lawyers, and therefore there was good reason for the framers of the Constitution to believe that all the Members of Congress in both Houses could and would understand the Constitution and would abide by it.

CONSTITUTIONAL PRINCIPLES CAN BE GENERALLY UNDERSTOOD.

Mr. Speaker, constitutions must be and are susceptible of being understood in their broad principles and outlines by all the people. Our universally accepted system of popular sovereignty declares that the Constitution is made by the people. If, therefore, the people made it, surely the people understand it. If the people understand it, then surely their more than 500 representatives freshly elected by the people can understand the Constitution better than nine judges who have not been elected by the people to their office, and some of whom have never been elected by the people to any office and whose lives have been given to the study of mere controversies between persons.

The only trouble is that these Members of Congress have gotten in the habit of failing to study the Constitution. They have overlooked their duty to study the Constitution. But if the Members of Congress would do their duty in this respect, and if the President, who should, above all persons, understand the Constitution, and who is sworn especially to protect and defend the Constitution, should do his duty and strike down by the veto every bill that he regards as unconstitutional—if Congress and the President would do these things, then the Supreme Court would have no fair nor reasonable opportunity to say that there is a real conflict in any case between the Constitution and the statute, and that as between these two in conflict the statute must yield and the Constitution must stand.

WHAT WE MEAN BY "AMERICANISM."

When we speak of "Americanism" and of the "American system," and when we urge loyalty to the "American Constitution," we must remember all that is implied within these terms. The great underlying and fundamental proposition implied by Americanism, after the preliminary conception of popular sovereignty, is our dual division of governmental powers between the States and the National Government. Some people seem disposed to feel that such a reminder is out of date and that talk about "State rights" is an anachronism, and seem to feel that to be loyal to this dual system of Government implies some sort of disloyalty to the National Government. As a matter of fact, Mr. Speaker, the Federal Government and the Federal Constitution are as much dedicated and obligated to the preservation of the States in their full reserved powers as to the preservation of the Federal power in its fullest constitutional extent.

The 13 States existed before the Federal Government existed. Undoubtedly they created the Federal Government. It is true that 35 other States, nearly 75 per cent of all the States, have since been created by the authority and power and permission of the Federal Government. But be it said to the credit of the strength and vigor of American ideals that those in control of the Federal Government conferred upon these 35 States admitted into the Union after the original 13 had created this great Federal system the same full and complete enjoyment of local State sovereignty, under the Constitution, that the original 13 States had. This fact is a fine tribute to the firm conviction of those who later administered the Federal Government that the full integrity and vigor and independence in all internal matters of the States themselves are essential to the peace and progress and power of the American people.

"AN INDESTRUCTIBLE UNION OF INDESTRUCTIBLE STATES."

Mr. Speaker, so many are the advantages that we have derived from the division of governmental power between the States and the Nation that even if such a system had not been created by the States it would be wise and politic for us now to adopt that system. It seems that Providence has guided the American people ever since the discovery of this continent. The settlement of different parts of the country by different classes and groups and religious sects of the English people is now seen to have been a happy and fortunate disposition.

The mingling with these English elements of the Dutch of New York, the French of Louisiana, the Germans of Pennsylvania, the Spanish of Florida, and the patches of Scandinavians and Swiss and other nationalities here and there has brought about a tolerance, a breadth, a liberality, and a generosity distinctly and exclusively American. But there remained enough of provincialism and localism and selfishness of the people of the different colonies to compel them to be chary about surrendering all the powers of government to a single central agency. They had left the homes of their fathers in Europe to enjoy religious freedom and civil liberty amidst the hardships and dangers and loneliness of a new country. They

divined what we now see, the dangers and tyrannies of a huge bureaucracy, consequently they grudgingly gave up to the Federal Government only those powers that bitter trials in war and grim necessity in peace had shown to be essential to the preservation of their dearly bought and much beloved liberties. The results have been marvelous. In the main the people have enjoyed the greatest possible freedom consistent with State and national obligations. Though the population has been multiplied by fifty and though the area has been multiplied by more than three and though the wants of civilization and the creations of modern science have multiplied a thousandfold the activities and interests of the people, the individual citizens in South Carolina and in Texas and in Wisconsin, with certain inevitable exceptions, enjoy the same personal liberty that the Pilgrim Fathers in Massachusetts did or that the cavaliers in Virginia did.

OUR DUAL SYSTEM INSURES SAFETY.

Mr. Speaker, the safety of American institutions rests with the States. Modern experience has shown that the greatest precaution for the safety of students in colleges and of patients in hospitals and of inmates in asylums is to have them scattered in a number of different buildings disconnected, so that fire originating in one place may be localized before widespread damage is done. It is like the device of the unsinkable ship that has a number of separate water-tight compartments. Though the ship be rammed by another ship or be torpedoed by a submarine, yet the entire ship is not sunk because the inrush of water is confined to the particular compartment broken in. So it is with the American "Ship of State." Each of these 48 States, in the language of Mr. Justice Holmes, is "an isolated chamber of experiment." Though excessive socialistic ideas take possession of one State, their dangers are perceived by others and the evil checked before widespread harm is done. Though the baleful and damning power of corporate wealth get possession of one State, yet the evils are confined to the single State affected and the example becomes a warning lesson to other States. If all the powers of government for the 110,000,000 of Americans scattered over this entire part of the continent were concentrated in the hands of one government at Washington, then the enemies of that government, by whatever name those enemies may be called, whatever may be their motives, could concentrate and multiply their assaults upon that single place and might overthrow the Government itself to the everlasting distress of the people and the destruction of national ideals and power and prosperity.

WHAT MEANS OUR MONROE DOCTRINE?

Mr. Speaker, in these times of turmoil, of agitation, and of world disorder, it seems that nearly every platform and pulpit sends forth a warning that for this reason or for that reason "civilization is trembling in the balance; that if something happens, or does not happen, the human race will reenter an epoch of stagnation and decline, like the 'dark ages'; and that out of this through the slow centuries the peoples must eventually grope to a new day." Personally I share no such gloomy apprehension. A little study of the history of former periods of agitation and of unrest will show that similar direful predictions were then made also. And yet a comprehensive view of history demonstrates that every revolution, made necessary by undesirable conditions, such as our forefathers endured for years before they threw off the claims of British authority, has in fact been one of the processes of evolution. For Americans who love to breathe the spirit of freedom, liberty, justice, and democracy these days are filled with high hopes. Americans have been the champions of human freedom since before the American Revolution. The principles of governmental independence, as announced in the Declaration of Independence, reacted upon the people of France, and in a few years, and after much blood and suffering, lasting through scores of years, that people have stepped out into the full light of liberty. But well do we remember the "jeremiads" of Edmund Burke, who poured forth his powerful and eloquent denunciations of the excesses prevailing in France, and from being the champion and defender of justice and liberty, as he had been during our controversy with England, he became the spokesman for reaction and for autocracy and despotism.

The Bourbons and their friends argued that if such a liberal as Edmund Burke was disgusted at the failure of democracy to function and the suicidal crimes of democracy, as evidenced by the "reign of terror" in Paris, then all others were justified in concluding that man could be safely and sanely governed only upon the principle of the "divine right of kings," and the divine right of the favorites of kings, and the divine ordination that all other men are proscribed to a life of servitude and servility. But Americans did not lose their faith in democ-

racy. When Napoleon, that child of revolution, was finally caught and curbed, then the despots of Europe decided that it was time to restore the power of royal prerogatives among those South American peoples who had won their independence by the sword from their mother country at a time when she and her royalistic allies were kept busy trying to outflank "the Little Corporal." So Spain said that she would regain her lost provinces in South America. Then the American people rose to the last man and backed the sentiment of the Monroe doctrine to the effect that the North American Republic would consider the restoration of kingly power in South America as an unfriendly act. The Monroe doctrine means and can mean only this—that if Spain by the assistance of other hereditary rulers could overthrow democracy in South America, then England by the same token and by the same assistance could overthrow democracy in North America and reestablish her dominion in this land which had been "dedicated to the proposition that all men are created equal and endowed by their Creator with certain inalienable rights, among which are life, liberty, and the pursuit of happiness, and that to secure these things governments are instituted among men, deriving their just powers from the consent of the governed."

When America was in the throes of a great Civil War for four years, undecided whether or not her Government or any government was dedicated to the principles of liberty, justice, and democracy, European autocracy stealthily conspired against the rights of free men and established a monarchy by the power of their military machines in our sister Republic of Mexico. When peace was reestablished amongst the States, and with peace returned power, then we notified France and the world that Maximilian must move from Mexico.

We were the friends of humanity in 1898 when the oppressed Cuban people were driven hither and thither like cattle by the bayonets of a Spanish bully. We have declared—and I believe we mean still to keep our pledge—that the people of the Philippine Islands shall in due season enjoy the inalienable right of any nation to decide upon the form of their own government, to determine its policies, and to control all their affairs, internal and external.

We have watched the overthrow of despotism in China, and we have rejoiced when that people seemed to be waking from their age-long sleep. We have seen an unspeakable and indescribable despotism in Russia that sent without cause or trial its victims by the thousands to freeze in Siberia broken by the power of a popular uprising; and though for a time at least the old hereditary czardom is replaced by a more numerous oligarchy, yet we have faith to believe that out of sovietism will ultimately grow representative democracy and that the patient, faithful, honorable Russian people will finally come into their own. If the French could survive a reign of terror and could upon the ruins of a commune rear the form of a stable and liberal Republic, then surely we should not lose hope in the possibility of Russia to do the same thing. People with liberal minds were happy when the German masses drove from their borders the imperial impersonation of hereditary military power. People who genuinely love freedom in America love to find other peoples coming into the possession of the same blessing. If every nation were as America is, truly representative of the will and interests of the masses, then international and world peace would prevail forever.

We have no selfish designs upon the lands, or the resources, or the labors of any people on the globe. We rejoice that fully three-fourths of all the people of the world have followed our example since 1776, and have set up for themselves governments that represent the feelings, and needs, and the desires of the great masses of the people who produce the wealth, who perform the labor, and who fight the battles for those nations.

WE NEED PATIENCE; DEMOCRACIES ARE SLOW.

So, Mr. Speaker, we should have faith in the permanence and the final universal triumph of the fundamental principles of Americanism. When we have faith then we will have patience. It is entirely obvious that there is too much impatience at this time. The extreme progressives chafe at the restraints and requirements of orderly and settled constitutional government. The reactionaries are impatient of every step and expression that promises a change toward liberalism. Some people wish legislation of a particular kind and hurry to procure it, irrespective of the means or agency employed. The result is that many rush to Congress with propaganda that counts into the thousands and weighs by the tons, when as a matter of fact they ought to be employing their propaganda on the State legislatures. Why, Mr. Speaker, I have known people to urge upon me that Congress should enact such and such legislation, and when I told them that Congress does not have the power to legislate upon the subject mentioned, and recommended that

they approach their representative in the State legislature upon the subject, they would then say that they hardly considered it worth while to bother the State legislature. If an idea is good and worth while, then its champions should be patient enough to ascertain the proper constitutional method for enacting the idea into law. As a result of this impatience we find intolerance and mutual distrust.

The ultra progressive would wipe out the Constitution where it stands in his way. The ultra reactionary would fix the Constitution so it never could be changed. What we need above all is for our people to grasp the fundamental principles of "Americanism" which implies the divine right of a settled, well ascertained majority to govern under the Constitution and the right of the requisite constitutional majority to change the Constitution itself. But at the same time, we need to warn our people from the forum and by the press about the unspeakable dangers certain to follow in the wake of this widespread powerful tendency to concentrate power in the hands of Federal bureaucrats. I believe that the people are already realizing that the pendulum for the first half century after the Civil War had swung too far in the direction of federalization and centralization. I believe that the pendulum is now beginning to swing back, and that the people are realizing the wisdom of Thomas Jefferson's warning and are willing to follow his precepts when he taught us that just as much of the governmental power should be kept just as close to the people as possible. Jefferson shows us how the township should hug to its bosom township affairs, and the county be jealous of county rights, and the State should guard all of its powers and prerogatives, so that the Nation could not suck into a mighty maelstrom of red tape and bureaucracy the vast volume of business that comes home to the bosoms and breasts of men.

So, Mr. Speaker, I patiently march on the highway of progress. I have confidence that the future of America is safe and that the world itself will come through the throes of many sorrows and griefs to a yet fuller realization of human power and of human happiness than ever before. Since early manhood I have rejoiced to see the rising tide of democracy throughout the world. To my mind, as I have read history, it has confirmed my faith in America. It has been to me a triumph of American ideals. As I have viewed it, America became a world power when she planted her feet upon the bedrock of eternal truth proclaimed in the Declaration of Independence. I have followed through the pages of history the action and reaction of that truth from nation to nation and have felt a joyful thrill at witnessing the world bear testimony to the power of America. We are too apt to forget that the power of America does not consist merely in her resources; nor in her Army and Navy; nor yet in her man power by the millions; nor in her fields, forests, and mines; but the real power of America consists in the force of her ideals, in the truth of her principles, and in the confidence that all mankind has in her unselfish devotion to the principles of a righteous and just representative government. There may be eddies along the banks of the stream; there have been reigns of terror, and communes, and soviet savagery; but he must be blind who can not see that the great stream of human history bears upon its bosom the ever-accumulating volume of representative government and the indisputable evidence of the final and complete triumph of democracy. "The individual withers, but the races progress more and more." As the tide of democratic progress advances certain individuals and certain special class interests may suffer here and there, and the writhing victims may raise a cry of protest against the forces that crush them. But it has ever been thus.

It is the inexorable law of human progress. It is the will of God as revealed in His word. But just so sure as God is good and just and true, just so surely are all nations upon the face of the earth coming finally and gloriously into the complete possession of their own. Mankind has raised the question, voiced by the English masses seeking for more complete control of their own affairs, and asks with the British poet:

When wilt Thou save the people? O Lord of Mercy, when?
Not thrones and crowns, but nations;
Not kings and lords, but men.
Flowers of Thy heart are they;
Let them not pass like grass away;
Let them rule, who work and fight, and pay;
God save the people!

SCHOONER "MOUNT HOPE."

The next business on the Private Calendar was the bill (H. R. 14249) for the relief of the owners of the American schooner *Mount Hope*.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. I understand the chairman of the committee is going to offer an amendment as to demurrage charges. I have no objection to the bill with that amendment.

The SPEAKER. The Chair hears no objection. The Clerk will report the bill.

The bill was read, as follows.

Be it enacted, etc., That the claim of the owners of the American schooner *Mount Hope* against the United States for damages and loss alleged to have been caused by the collision of said vessel with the United States steamship *Navesink*, off Pollocks Rip Lightship, on November 21, 1916, may be sued for by the said owners of the American schooner *Mount Hope* in the district court of the United States for the eastern district of New York, sitting as a court of admiralty and acting under the rules governing such court; and said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the owners of the American schooner *Mount Hope* or against said owners in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

Mr. EDMONDS. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. EDMONDS: Page 2, line 1, after the word "suit," insert "to the extent only of such damages suffered other than claims for demurrage to said vessel."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

MRS. R. S. ABERNETHY.

The next business on the Private Calendar was the bill (H. R. 7267) granting permission to Mrs. R. S. Abernethy, of Lincoln, N. C., to accept the decoration of the bust of Bolivar.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. I object.

Mr. MOORE of Virginia. Will not the gentleman reserve his objection for a minute?

Mr. STAFFORD. Yes.

Mr. MOORE of Virginia. This bill has been carefully considered by the Committee on Foreign Affairs, which has made a unanimous report after very mature consideration. The only purpose of the bill is to enable the sister of a sailor who rendered valuable service in connection with operations in South American waters to receive a mere decoration. It is not to receive a bust, but it is to receive a ribbon which is denominated in the bill as the decoration of the bust of Bolivar.

Mr. STAFFORD. Why should we recognize that at this late day?

Mr. MOORE of Virginia. Why should we not?

Mr. STAFFORD. I do not care at this late hour to go into the merits of this question, but I remember the distinguished gentleman from Texas [Mr. CONNALLY] made a very earnest fight against the policy of allowing the German Government—I think it was the German Government—to recognize some of our consular and diplomatic officers with gifts and the like. I do not know what became of that bill.

Mr. MOORE of Virginia. If the gentleman would read the report which was very carefully prepared by my colleague on the committee [Mr. COLE of Iowa] I think it would go far toward removing his objections to the bill.

Mr. STAFFORD. It is a very illuminating and a full historical report, as I can see by glancing at it, but I confess that I have not had the time to read it.

Mr. MOORE of Virginia. I think my friend often reaches conclusions without having had the time to read reports on bills.

Mr. STAFFORD. I beg the gentleman's pardon. I read the reports very carefully, and when I have not had the time to do so, I am always open to conviction. I keep an open mind. If I had read the report perhaps I would be more positive as to my position.

Mr. MOORE of Virginia. If the distinguished gentleman will allow me, this is a very simple matter. The lady is anxious to receive this ribbon. I have no interest in the bill. The lady is not a resident of my State. It is my friend, the

gentleman from North Carolina [Mr. BULWINKLE] who introduced the bill. I trust the gentleman will find it in his heart to withdraw his objection.

Mr. STAFFORD. I withdraw the objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc., That Mrs. R. S. Abernethy, of Lincolnton, N. C., be authorized to accept the decoration of the bust of Bolivar tendered by the Government of Venezuela to her brother, Lieut. Commander Rufus Z. Johnston, United States Navy, and that the Department of State be permitted to deliver the decoration to Mrs. R. S. Abernethy.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

CERTAIN LANDS AT CAMP JACKSON, S. C.

The next business on the Private Calendar was the bill (S. 4404) authorizing the Secretary of War to transfer to trustees to be named by the Chamber of Commerce of Columbia, S. C., certain lands at Camp Jackson, S. C.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLANTON. I reserve the right to object. This bill authorizes the transfer of 1,192 acres of land in the military reservation at Camp Jackson. Why should we transfer 1,192 acres of land to some trustees and let them sell it or dispose of it for charitable or educational purposes? Why can not the United States Government perform its own charity work?

Mr. FULMER. If my friend from Texas will allow me, I will be glad to tell him the reason why.

Mr. BLANTON. That is what I would like to have—an explanation.

Mr. FULMER. I will be glad to explain it to the gentleman. In 1917 various public-spirited citizens in South Carolina by public subscription bought and paid for 1,192 acres of land and presented it as a gift to the Government without any cost whatsoever.

Mr. BLANTON. Why?

Mr. FULMER. For camp purposes.

Mr. STAFFORD. Will the gentleman permit?

Mr. FULMER. Yes.

Mr. STAFFORD. Here was a committee of public-spirited citizens who donated certain land for the purpose of having a United States camp located at Camp Jackson.

Mr. BLANTON. For commercial benefit.

Mr. STAFFORD. Having donated it, they now want the Government to return it gratis.

Mr. FULMER. If the gentleman will allow me to explain, I do not think he will have any objection. If you will read the report of the Subcommittee on Military Affairs under date of January 5, 1922, you will find that they recommended that this land be given back to the donors free of any expense. This land was given to the Government by a corporation. This corporation is not asking that the land be given back to them, but the welfare board, in connection with the chamber of commerce, ask that they may have this land given back to them, to be placed in the hands of trustees, for educational purposes, agriculture, and so forth. If you will read the letter of the Secretary of War, you will see that he recommends this.

Mr. STAFFORD. But after receiving property from private individuals for certain purposes, why should the Government give it back for nothing?

Mr. FULMER. I should like to read the letter of the Secretary of War.

Mr. STAFFORD. I have read the letter as set forth in the report.

Mr. MILLER. The Government had had the use of it.

Mr. FULMER. Yes; and it is nothing now but an expense to the Government. They got the use of it.

Mr. MILLER. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. MILLER. It was the opinion of the committee that where patriotic citizens subscribed for a tract of land and it was the disposition of the Government to return it, it having served all the purposes the Government had for it or ever will have, that the property given in this patriotic way should be returned to those citizens.

Mr. STAFFORD. Is that going to be the policy where a private association has donated land to the Government which

the Government has improved by expending large sums of money for highways—

Mr. MILLER. There is nothing of the kind on this land.

Mr. STAFFORD. There are highways on the land.

Mr. MILLER. Yes; for Government use.

Mr. FULMER. There are no improvements on it and the part of the original tract they retain. They are giving back on the outside 1,192 acres that are not nearly so valuable.

Mr. STAFFORD. Are they giving land in exchange for this?

Mr. FULMER. No.

Mr. BLANTON. Mr. Speaker, I want to state to the gentleman that the people made this donation for the benefit that this military camp would bring to their community. It brought a great horde of soldiers there. Merchants were able to sell large supplies and they reaped a great benefit, like every other community in the United States that had a military camp. The Government spent lots of money there that they never will get back. It would sell the buildings for about 5 per cent of what they cost—that is what they usually get on them—it will not get one cent back for roads, they will not get one cent for sidewalks, for the light system, the water system.

Mr. FIELDS. There is nothing of that kind on this land.

Mr. BLANTON. If it is not, it is the first military camp that I have heard of that did not have them.

Mr. McSWAIN. This bill does not include the whole camp.

Mr. BLANTON. It includes 1,192 acres, which is almost two sections of land.

The SPEAKER. Is there objection?

Mr. BLANTON. I object.

Mr. FIELDS. I want to state—

Mr. MONDELL. If there is to be objection, Mr. Speaker, I think that we should pass on to the next bill.

Mr. BLANTON. The gentleman from Wisconsin will object if I do not. Mr. Speaker, I withdraw my objection.

Mr. STAFFORD. I object.

CAPT. NORMAN RANDOLPH.

The next business on the Private Calendar was the bill (H. R. 14317) granting permission to Capt. Norman Randolph, United States Army, to accept the decoration of the Spanish Order of Military Merit of Alfonso XIII.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, we have just passed a bill reported by the distinguished gentleman from Virginia [Mr. MOORE], granting the bust of Bolivar as a decoration. This is for the decoration of an Army officer by the King of Spain?

Mr. FISH. The Spanish ambassador.

Mr. STAFFORD. How many requests are there pending of that kind?

Mr. FISH. Only two altogether. This was reported out from the Committee on Foreign Affairs, and it is similar to the one that just went through. I hope the gentleman from Wisconsin will not object.

Mr. STAFFORD. Mr. Speaker, I withdraw my reservation of objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That Capt. Norman Randolph, United States Army, be authorized to accept the decoration of the Spanish Order of Military Merit of Alfonso XIII, tendered by his excellency the Count of Vinaza, the ambassador of Spain at the Peruvian Centennial, and that the Department of State be permitted to deliver the decoration to Capt. Norman Randolph, United States Army.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

JOHN W. STANTON.

The next business on the Private Calendar was the bill (S. 2934) to provide for the issuance to John W. Stanton by the Secretary of the Interior of patent to certain land upon payment therefor at the rate of \$1.25 per acre.

The Clerk read the title to the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, in his discretion, to issue patent to John W. Stanton, of Great Falls, Mont., for the west half of the southwest quarter of section 2, the north half of the northwest quarter of section 11, and the northeast quarter of the southeast quarter of section 3, all in township 23 north of range 4 east, principal meridian of Montana, upon payment by said John W. Stanton therefor at the rate of \$1.25 per acre.

The bill was ordered to be read a third time, was read the third time, and passed.

FEDERAL BUILDING SITE, DUQUOIN, ILL.

The next business on the Private Calendar was the bill (H. R. 14183) to authorize the Secretary of the Treasury to sell a portion of the Federal building site in the city of Duquoin, Ill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and empowered, in his discretion, to sell to the Christian Church of Duquoin, Ill., that portion of the Federal building site in said city, fronting 30 feet on the eastern boundary of said site extending eastwardly of that width, 100 feet, along the entire northern boundary of said church property; at such time and upon such terms as he may deem to be to the best interests of the United States; to convey the land to said Christian Church by the usual quitclaim deed; and to deposit the proceeds of such sale in the Treasury of the United States as a miscellaneous receipt derived from the sale of public property.

Mr. DENISON. Mr. Speaker, I offer an amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Page 1, line 10, after the word "terms," insert "but at not less than the appraised value, to be determined by him."

Mr. BLANTON. Mr. Speaker, I hope the gentleman will not offer that amendment.

Mr. DENISON. I have offered it at the suggestion of the gentleman from Wisconsin [Mr. STAFFORD].

Mr. BLANTON. We let these bills pass upon the report and the bill. I understand they are going to get a great deal more than the land has ever been appraised for. That is the reason I let the bill go by. The land cost \$3,000 when it was originally purchased by the Government.

Mr. STAFFORD. Here is a bill authorizing the Secretary of the Treasury to sell these lands.

Mr. BLANTON. I would rather leave it to him to fix the terms.

Mr. STAFFORD. That is what we are doing—at not less than the appraised value, to be determined by him.

Mr. BLANTON. But if you insert that language it is going to authorize him to take it at the appraised value which may have been made 20 years ago.

Mr. STAFFORD. I think this is safeguarding the interests of the Government.

Mr. BLANTON. I would rather leave it as it is.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

BIG ROCK STONE & CONSTRUCTION CO.

The next business on the Private Calendar was the bill (H. R. 12751) to convey to the Big Rock Stone & Construction Co. a portion of the hospital reservation of United States Veterans' Hospital No. 78 (Fort Logan H. Roots) in the State of Arkansas.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, on reading the bill I notice that its purpose is to give title to some of the property which is now under lease by this stone and construction company.

Mr. JACOWAY. Yes.

Mr. STAFFORD. The authorization for the lease was made within a year or two?

Mr. JACOWAY. As I recall, it was in 1912.

Mr. STAFFORD. What is the land being used for now?

Mr. JACOWAY. The stone is being used for the construction of roads and for riprapping the Mississippi and for streets and other purposes, both public and private.

Mr. STAFFORD. Is it a hard stone?

Mr. JACOWAY. It is a very hard stone, and is especially adapted to the construction of roads.

Mr. STAFFORD. How far is the quarry removed from the hospital?

Mr. JACOWAY. I would say from 3,000 to 4,000 feet farther from the hospital than are the operations at the present time. That is my recollection.

Mr. STAFFORD. Are there any buildings between the hospital and where they are quarrying?

Mr. JACOWAY. No. This land that is sought by the Big Rock Stone & Construction Co. is a rocky piece of ground on the banks of the Arkansas River. It is of no value to the

fort. The least price at which it can be purchased under this bill is \$150 an acre. I can not state this with certainty, but I think the land originally cost the Government about \$5 an acre. This is 20 acres of the portion of the land on which is located the hospital, and is adjacent to the 3,000 acres owned by the Government, deeded in fee by the city of Little Rock to the Federal Government when Camp Pike was located.

Mr. STAFFORD. Are there any other competitors for this land?

Mr. JACOWAY. Not that I know of.

Mr. STAFFORD. The gentleman is acquainted with the land?

Mr. JACOWAY. I am in a general way.

Mr. STAFFORD. My fear was that it might disturb the purpose of the hospital grounds.

Mr. JACOWAY. No. In answer to his question, will say a special agent was sent there by the Veterans' Bureau, and he and the officer in charge made a report upon it, which the gentleman will see in the report.

Mr. STAFFORD. The trouble about the report is that it is too short, and I have to get the information elsewhere.

Mr. JACOWAY. Both of these gentlemen say that it will not interfere with the running of the hospital and interpose no objection to the Big Rock Stone & Construction Co. purchasing this land set out by metes and bounds in my bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Director of the United States Veterans' Bureau be, and he is hereby, authorized and directed, upon the payment by the Big Rock Stone & Construction Co., a corporation existing under the laws of the State of Arkansas, of such sum as he may determine to be the reasonable value of the premises (but not less than \$150 per acre), to convey to the said company the following-described portions of the hospital reservation of the United States Veterans' Hospital No. 78, North Little Rock, Ark. (Fort Logan H. Roots), near the city of Little Rock, State of Arkansas, to wit:

Beginning at a stone corner common to sections 20, 21, 28, and 29, township 2 north, range 12 west; thence north along section line 300 feet; thence west approximately 810 feet to east bank of Arkansas River; thence in a southeasterly direction along bank of river to intersection with section line between sections 20 and 29; thence east along said section line approximately 670 feet to point of beginning, same being a strip of land 300 feet in width, located in section 20, township 2 north, range 12 west, lying immediately north of the present property of the Big Rock Stone & Construction Co. and containing approximately 5 acres:

Beginning at a stone corner common to sections 20, 21, 28, and 29, township 2 north, range 12 west; thence east along section line 529.2 feet; thence north 60 degrees 27 minutes west 608.3 feet to intersection with section line between sections 20 and 21; thence south along said section line 300 feet to point of beginning, same being a triangular tract of land lying entirely within section 21, township 2 north, range 12 west, and lying directly northeast of the present property of the Big Rock Stone & Construction Co., and containing 1.82 acres.

Beginning at a stone corner common to sections 20, 21, 28, and 29, township 2 north, range 12 west; thence east along the section line 529.2 feet; thence south 1,927.8 feet to a point on the east boundary line of an 18.75-acre tract purchased from the United States by the Big Rock Stone & Construction Co., approved by an act of Congress August 14, 1912; thence north 31 degrees 5 minutes west along said east boundary line 1,025 feet; thence north along section line between sections 28 and 29 1,050 feet to point of beginning, same being a strip of land lying entirely within section 28, township 2 north, range 12 west, and lying along the east side of the present property of the Big Rock Stone & Construction Co., and containing 18.09 acres; beginning at the southeast corner of a 2-acre tract of land purchased from the United States by the Big Rock Stone & Construction Co. under authority of an act of Congress approved August 14, 1912; thence south 33 degrees and 30 minutes east 500 feet; thence south 54 degrees and 30 minutes west approximately 200 feet to the east bank of the Arkansas River; thence in a northwesterly direction along the bank of the river to the south boundary line of the hereinbefore mentioned 2-acre tract of land; thence north 54 degrees and 30 minutes east along said boundary line approximately 200 feet to the point of beginning, same being a strip of land located in section 28, township 2 north, range 12 west, lying on the south side of the present property of the Big Rock Stone & Construction Co. and containing approximately 2.29 acres, this 2.29-acre tract being now occupied by the Big Rock Stone & Construction Co. under lease from the United States Government authorized by the act of Congress approved May 26, 1920.

Upon the further condition that the two and twenty-nine one-hundredths-acre tract of land hereinbefore described shall not be used for any blasting operations or for any other purpose detrimental to the use by the United States of the remainder of said reservation, and that the Big Rock Stone & Construction Co. shall not use for any blasting operations or any other purpose that will interfere with the use by the United States of the remainder of said hospital reservation the 1-acre tract of land acquired from the United States Government by purchase authorized by an act of Congress entitled "An act to convey to the Big Rock Stone & Construction Co. a portion of the military reservation at Fort Logan H. Roots in the State of Arkansas," approved May 26, 1920; and upon the further condition that the United States shall have the privilege of using the Arkansas River front of the property heretofore conveyed by the United States Government to the Big Rock Stone & Construction Co., and of property conveyed under the authority of this act for the construction of any revetments, piers, wharves, or similar structures along the banks of the Arkansas River abutting on the land and the free passage over the land to such revetments, piers, or wharves; and that the United States Government shall also have the right of passageway on, over, or under any portion of the land owned by the Big Rock Stone & Construction Co. already ac-

quired or which may be acquired by said company under authority of this act for roads, pipe lines, wires, and other purposes which may be deemed necessary for the use of the said hospital reservation by the United States Government.

Sec. 2. That this act shall take effect and be enforced from and after its passage and approval.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

FRANK J. SIMMONS.

The next business on the Private Calendar was the bill (H. R. 7810) for the relief of First Lieut. Frank J. Simmons, Quartermaster Corps, United States Army.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. I object.

GEORGE EMERSON.

The next business on the Private Calendar was the bill (S. 726) for the relief of George Emerson.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay to George Emerson, of Great Falls, Mont., late a second lieutenant in the Air Service, Division of Aeronautics, United States Army, out of any money in the Treasury not otherwise appropriated, the sum of \$235, to reimburse him for money withheld from salary due him, upon his discharge from the Army, on or about October 31, 1919, and still so withheld; and there is hereby appropriated for such purposes, out of any money in the United States Treasury, not otherwise appropriated, the sum of \$235.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

ELI N. SONNENSTRAHL.

The next business on the Private Calendar was the bill (S. 1280) for the relief of Eli N. Sonnenstrahl.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object.

LEWIS W. FLAUNLACHER.

The next business on the Private Calendar was the bill (S. 1516) for the relief of Lewis W. Flaunlacher.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I find that the Committee on War Claims has one standard as to the amount of damages that should be awarded to persons injured in accident, and the Committee on Claims another, the amount of the Committee on War Claims being about twice that from the Committee on Claims. My attention was not called to that until after we had gotten along with the calendar quite a way night before last. In this case, if the gentleman is willing to accept what the Senate considered was a reasonable amount and get this bill out of the way it is acceptable, but if he is going to increase the pay of a wealthy man because he is injured in an accident there will be an objection interposed.

Mr. REED of New York. Mr. Speaker, I would be willing to accept an amendment, but I would like to make this statement in justice to the committee. I want those who are present to understand the situation. Mr. Flaunlacher was a man of large earning capacity, a real estate man in New York. He was traveling out the road to Camp Upton, had tire trouble, and drew his car alongside the road with all the lights on. A colored sergeant, driving company troops to Camp Upton, came along, admittedly drunk, turned, and drove into Mr. Flaunlacher's car. He is now absolutely crippled for life as a result of this collision. The testimony of the doctors show that his limb is withered and he will always be lame. The amount that we allowed was \$4,000, and the Senate allowed \$2,000. The amount allowed by the Senate does not even equal his earning capacity during the time he was in the hospital.

Mr. STAFFORD. Of course the earnings would run into the thousands for rich men, and this man has an earning capacity of \$10,000 a year.

The SPEAKER. Is there objection?

Mr. STAFFORD. Not with the Senate amendment.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lewis W. Flaunlacher, as reimbursement for expenses actually incurred by him as the direct result of personal injuries received by him on September 3, 1917, near Camp Upton, Long Island, when he was struck by an automobile operated by

the United States Army, the sum of \$719.53, and as full compensation for loss of earnings, pain, and suffering from said injury and resulting surgical operation, and permanent disability of the right leg resulting from said injury, the sum of \$1,280.47; in all, \$2,000.

The committee amendments were read, as follows:

Page 2, line 2, strike out "\$1,280.47" and insert "\$3,280.47" and strike out the figures "\$2,000" and insert "\$4,000."

The question was taken, and the amendments were rejected.

The bill was ordered to be read a third time, was read the third time, and passed.

LIEUT. HENRY N. FALLON, RETIRED.

The next business on the Private Calendar was the bill (S. 3553) for the relief of the family of Lieut. Henry N. Fallon, retired.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, I object.

Mr. STAFFORD. Mr. Speaker, I object.

Mr. FOCHT. I will ask the gentleman if he will withhold his objection for a minute?

The SPEAKER. Two gentlemen objected.

Mr. BLANTON. I will withhold it if the gentleman from Wisconsin will.

Mr. STAFFORD. I will withhold it.

Mr. FOCHT. As the report indicates, this soldier has been confined in St. Elizabeths and made his escape. He was really a ward of the Government at the time. His mother sent after him and paid all the expenses of bringing him back, paid money which otherwise would have had to have been paid by the Government. She and her daughter are in the city now in order to be near this boy, and living in a small room. This bill was reported by the chairman of the War Claims Committee [Mr. SNELL]. I have just had word that Senator PEPPER, who is interested in this, and who has absolute confidence—

Mr. BLANTON. Having had word from Senator PEPPER, the gentleman rises to try to get this bill through?

Mr. FOCHT. I think it would be ample, but we have the report of Mr. SNELL—

Mr. BLANTON. What does the gentleman personally know about the bill? I personally investigated it and I know my colleague from Wisconsin has.

Mr. FOCHT. Mr. SNELL makes a report which is here which says that we ought to pay this woman this money. I have been on the committee with Mr. SNELL for many years, and I know—

Mr. STAFFORD. Let me say that this lieutenant was confined in St. Elizabeths Hospital. The superintendent was considering the granting of a parole and had decided to grant it. Just the night before the parole was to go into effect he took French leave and now we are called upon to reimburse the family for trying to locate him and bring him back.

Mr. FOCHT. Would not the Government have been obligated to find him?

Mr. STAFFORD. No. As the superintendent of the hospital says, if we would attempt this policy it would cost the Government thousands and thousands of dollars. I object.

Mr. FOCHT. I know where they have done it repeatedly.

The SPEAKER. Objection is made. The Clerk will report the next bill.

CLAIMS FOR DAMAGES INCIDENT TO THE OPERATION OF THE ARMY.

The next business on the Private Calendar was the bill (S. 4313) for the payment of claims for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. This is an omnibus claims bill. It includes claims that have been passed to-night. I object.

The SPEAKER. The gentleman from Wisconsin objects. The Clerk will report the next one.

THOMAS J. ROSE.

The next business on the Private Calendar was the bill (H. R. 1859) for the relief of Thomas J. Rose.

The title of the bill was read.

The SPEAKER. Is there objection to the consideration of this bill?

Mr. STAFFORD. Reserving the right to object, is there anyone here to give some information about this case? If not, I object.

The SPEAKER. Objection is made. The Clerk will report the next bill.

VALLEY TRANSFER RAILWAY CO.

The next business on the Private Calendar was the bill (H. R. 14082) to authorize the Valley Transfer Railway Co., a corpora-

tion, to construct and operate a line of railway in and upon the Fort Snelling Military Reservation in the State of Minnesota.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, this is a companion bill to the authorization that was passed on Monday, authorizing them to build bridges across the Mississippi River. Now it is proposed to grant them a right of way on the lowland approximate to the Mississippi River adjoining to and on the property of the Fort Snelling Military Reservation. As I understand the report, there is a railroad right of way there.

Mr. NEWTON of Minnesota. Yes; that of the Chicago, Milwaukee & St. Paul.

Mr. STAFFORD. How much valuable space is there on the low ground along the Mississippi?

Mr. NEWTON of Minnesota. I should say from 150 to 175 yards in width down to possibly 75 yards in width at the narrowest point.

Mr. STAFFORD. Is not this a very valuable way of getting access to these places?

Mr. NEWTON of Minnesota. It is about the only way in which Pike Island can be approached from the city of Minneapolis; so that, it being the only way that it can be approached, it is valuable to that extent. Now, just how valuable this island is going to be when it is developed after buildings are put upon it, I am unable to inform the gentleman.

Mr. STAFFORD. It has been some years since I have visited Fort Snelling. It was merely a visit. I can not carry the details in my mind. If it is a right of way that would be valuable to other railroads entering the city by way of Pike Island, I do not think it should be granted to one company, because these rights of way become more valuable as the years go on.

Mr. NEWTON of Minnesota. I would say to the gentleman that the only use to which this could be put, speaking from my knowledge of the ground, would be for the purpose of a belt line running on the island.

The location is not adapted to running any extended series of tracks there. The Milwaukee road only runs the Iowa Short Line through there because it is not adapted to that purpose. It would not be adapted to anything except a mere line of railroad to get on to this island to connect with that bridge. As the Secretary of War says, it is only about 100 yards in width.

Mr. STAFFORD. What is the idea of developing the island?

Mr. NEWTON of Minnesota. For manufacturing purposes.

Mr. STAFFORD. It could not be used as a means of ingress and egress from the city?

Mr. NEWTON of Minnesota. No. My information is that what I have stated is the sole purpose of it.

Mr. STAFFORD. This would not impair the value of Fort Snelling?

Mr. NEWTON of Minnesota. No; and you will notice it is a revocable permit, and it is under conditions that the Secretary of War shall prescribe.

Mr. STAFFORD. I withdraw my reservation.

The SPEAKER. The reservation is withdrawn. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to give to the Valley Transfer Railway Co., a corporation organized under the laws of the State of Minnesota, its successors and assigns, a permit to locate, construct, maintain, and operate a line of railway, with single or double tracks, across the Fort Snelling Military Reservation in the State of Minnesota, upon such location and under such regulations and conditions as shall be approved by the Secretary of War.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With a committee amendment, as follows:

Line 6, before the word "permit," insert the word "revocable."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER. The Clerk will report the next bill.

PACIFIC COMMISSARY CO.

The next business on the Private Calendar was the bill (S. 34) for the relief of the Pacific Commissary Co.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, I wish to inquire of some gentleman making this report as to the reason why we should reimburse this commissary company for a business loss in connection with the feeding of officers at this post—Camp Lewis, I believe—during the war?

Mr. McSWAIN. This claim I would describe as an equitable claim. When the first training camp was instituted at the Presidio, Fort Smith, 17 miles from Tacoma, then recently constructed, the Government ordered 1,500 commissioned Army officers to report there. When the commandant of the camp learned that they were on their way, he realized that there was no way in camp to feed these men. There were no troops there at the time, and the buildings that constitute the cantonment were under construction. If they had been required to go back 17 miles each night they would have lost an enormous amount of time.

Mr. STAFFORD. They went ahead and fed these 1,500 officers and fixed the price that the officers should pay?

Mr. McSWAIN. Yes.

Mr. STAFFORD. In the Army the officers get a certain allowance for rations. They received that money from the officers. After the war was over they found that they had made their rates to the officers too low, and now they are seeking to come to the Government to recover on account of an erroneous estimate that they made in charging the officers for meals.

Mr. McSWAIN. Let me explain the case to the gentleman. This private concern—a little \$2,000 corporation—was under no obligation to take care of these officers. When the war burst most civilians, including myself, assumed that the commandant of a big camp spoke for the Government. This man Sullivan, representing the Pacific Commissary Co., was approached by the commanding officer of the camp and asked if he would help him take care of these men and feed them, saying that they had to eat.

Mr. McARTHUR. He was very urgently solicited to do it, was he not?

Mr. McSWAIN. Yes.

Mr. STAFFORD. But, nevertheless, he did it under a business arrangement. The price was fixed, and he made a wrong estimate as to price.

Mr. McARTHUR. The price was not fixed.

Mr. STAFFORD. The price was fixed for the officers' meals.

Mr. McSWAIN. Fixed at a dollar a day, with the understanding that the Pacific Commissary Co. would not net any profit but that the Government would bear any loss, with the understanding that this commanding officer would authorize an increase in the price in the future if it was found that it was too low a price.

Mr. McARTHUR. The Pacific Commissary Co. did not seek at any time to make any profit out of this.

Mr. McSWAIN. That is what I say. They were not to make any profit out of it, and were to be indemnified against loss. Therefore they would not have sustained any loss but for the fact that the quartermaster at the camp kept on for five or six months before he rendered an account. In the meantime the price of rations was going up, and when he rendered his account it was found that they had lost on the feeding of the officers and certain other losses about \$30,000.

Mr. STAFFORD. I will be very frank with the gentleman. I do not like this bill at all. I think this company took a business chance and lost. The gentleman says it is a case of equity. If we allow this bill at the amount recommended by the committee, what assurance have we that it will not be increased in conference? Will the gentleman fight to the end to keep down the amount?

Mr. McSWAIN. I have no authority to speak for anyone. My friend, the gentleman from Oregon [Mr. McARTHUR], is personally acquainted with the claimants.

Mr. McARTHUR. I think I can reasonably assure the gentleman that the Senate will accept the House amendment.

Mr. STAFFORD. With the assurance that this bill will not be increased in conference, and that it will not come back with an increased amount, I will withdraw the objection. They can not make out any claim for \$31,000. These are the closing days of the session. With that understanding I will not object, and will allow the amendment to be adopted.

Mr. BLANTON. I reserve the right to object. I want to ask a question. Here is the way I understand this matter: These officers got this commissary company to furnish them just a little bit better meals than the Government was paying for. They put in a claim at first for \$31,000, and the committee in passing on that matter found that that claim was unjust and reduced the amount by \$22,916.26. To that extent, at least, the committee held that the company was trying to gouge the Gov-

ernment. I am sure the gentleman from South Carolina would not approve of anything like that, because I know him too well.

Mr. McSWAIN. I acted for the committee. I literally went through hundreds of pages of testimony and five or six account books in order to try to find out what was the truth of the situation. The claimants very earnestly insisted that they were equitably entitled to the whole amount, and, as a matter of fact, they did lose on the whole transaction at Camp Lewis about \$31,000; but I, looking at it from the civilian point of view and the point of view of the taxpayers, concluded that in equity they ought to receive a refund of about \$9,000. The effect of that would be that while they fed these officers and incurred a loss of \$30,000, only 6 days of that will fall upon the Government and 15 days will fall upon the Pacific Commissary Co.

Mr. BLANTON. But this extended over four long months in 1917. Now I want to submit this proposition to my colleague. In war time there are petty officers all over the United States who are in control of such situations. The Congress fixes a certain price at which meals can be purchased.

Mr. McARTHUR. But there was no price fixed.

Mr. BLANTON. The law fixes the price. We fix the rations for the Army and Navy. We do that in peace time as well as in war time.

Mr. McARTHUR. Will the gentleman yield to me?

Mr. BLANTON. I yield.

Mr. McARTHUR. The Pacific Commissary Co. did this as a mere matter of accommodation. They did not stand to make anything.

Mr. BLANTON. These officers were not satisfied with the kind of rations that their own Government fixed for them. They wanted something a little better. It cost a little more money. After the whole proposition was over, after peace came, they wanted to gouge the Government for this amount.

Mr. McARTHUR. The gentleman is in error about that.

Mr. McSWAIN. I think the gentleman is looking at it from the wrong point of view. I was very much opposed to the claim until I studied it over a period of several months.

Mr. BLANTON. I commend the gentleman for cutting down the claim \$22,000.

Mr. McSWAIN. The gentleman's proposition is based on the assumption that the Government rations officers. It does not do so. The Government was under no legal obligation to feed these men.

Mr. McARTHUR. It was an emergency.

Mr. McSWAIN. The Pacific Commissary Co. for years has been feeding railroad laborers and construction forces generally. It was feeding the construction force that was building the camp. When these 1,500 officers came there the camp commander rushed up to these men and said: "Here, you have got to help me feed these men."

Mr. BLANTON. They knew that the Government allowed officers a certain amount in lieu of subsistence.

Mr. STAFFORD. Mr. Speaker, I think I will have to demand the regular order.

Mr. MONDELL. This is a perfectly just claim as reduced.

The SPEAKER. Is there objection?

Mr. BLANTON. I object, Mr. Speaker; but on the statement of my colleague [Mr. BULWINKLE], who has made an investigation, I would like to withdraw the objection to the Fallon case, calendar No. 468.

Mr. McARTHUR. I hope the gentleman will withdraw his objection to this bill.

Mr. FOCHT. Mr. Speaker, I ask unanimous consent to return to the Fallon case.

Mr. BOX. I object.

THURSTON W. TRUE.

The next business on the Private Calendar was the bill (S. 2984) for the relief of Thurston W. True.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I can not see where this man is entitled to more than \$794.

Mr. FULMER. I will accept that amount.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc. That the Secretary of the Treasury is authorized and directed to pay to Thurston W. True, of Columbia, S. C., the sum of \$1,000, out of any money in the Treasury not otherwise appropriated, in full satisfaction of all claims for damages against the United States arising out of the vacating by such Thurston W. True of his premises for several months during the war against Germany, in compliance with an order issued under authority of the War Department that such premises were to be used by the United States Government for a military camp.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 5, strike out the amount of "\$1,000" and insert "\$794."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

JOHN R. KISSINGER.

The next business on the Private Calendar was the bill (H. R. 14358) for the relief of John R. Kissinger.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, this matter has been partially corrected in the War Department appropriation bill, and I object.

COLORED UNION BENEVOLENT ASSOCIATION.

The next business on the Private Calendar was the bill (H. R. 13617) to dissolve the Colored Union Benevolent Association, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I see the chairman of the Committee on the District of Columbia here at this late hour, always attending to the duties of his committee. I would like to know what is the purpose of this bill that seeks to vest authority in three trustees with the right to disinter the remains in a colored cemetery and have them transferred to some other tract of land, allow them to sell the property and receive 5 per cent as the commission for services?

Mr. FOCHT. This is an old colored association which has a cemetery for the burial of colored persons out beyond Rock Creek Park. They want to make improvements and they want to get rid of it.

Mr. STAFFORD. I have known of persons objecting to living beside colored people, but I did not know that they objected to the colored dead that had been buried.

Mr. FOCHT. They want to dissolve a corporation.

Mr. STAFFORD. It is a serious matter to disinter the remains of any person.

Mr. BLANTON. Would the gentleman mind telling us whether this involves the cemetery or any of the graves that were concerned or figured in the campaign in the gentleman's district during the last year?

Mr. FOCHT. I am not going to make a retort to that, but after the bill is passed I may reply. We have had numerous instances where cemetery associations have been dissolved in the city, where they wanted to make improvements.

Mr. STAFFORD. How many are buried in this cemetery?

Mr. FOCHT. Perhaps 30 or 40.

Mr. STAFFORD. Who are these trustees?

Mr. FOCHT. They are to be named by the commissioners, and they will be under rules and regulations.

Mr. STAFFORD. No; they are designated by the bill.

Mr. FOCHT. They are the ones that have had the control of the association. They will be under the direction of the commissioners.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

A bill (H. R. 13617) to dissolve the Colored Union Benevolent Association, and for other purposes.

Be it enacted, etc. That from and after the passage of this act the charter of the Colored Union Benevolent Association of the District of Columbia shall cease and determine except as to the following-named trustees, namely, George E. Emmons, Harry A. Clarke, and Whitefield McKinlay, all of whom are citizens of the United States and residents of the District of Columbia, and their successors, are hereby continued as such corporation for the purposes hereinafter stated, with full power to fill any and all vacancies of said trustees which may occur by death or resignation until the sale, distribution, and winding up of the affairs of the said corporation as hereinafter directed shall have been effected.

Sec. 2. That the said trustees be, and they are hereby, authorized, empowered, and directed, under such regulations as the Commissioners of the District of Columbia may prescribe, to transfer the bodies interred in said cemetery to some other public cemetery or cemeteries or place within the District of Columbia, to be reinterred at the expense of the Colored Union Benevolent Association. And the said trustees, after qualifying by giving such bond as may be required and approved by the probate court of the District of Columbia, be, and they are hereby, authorized, empowered, and directed to sell and convey in fee simple the land known as the cemetery of the Colored Union Benevolent Association and the buildings thereon, and any other tract or parcel of land purchased for cemetery purposes and the buildings thereon of the said association, and apply the proceeds of such sales, together with all other moneys and assets of the said association, as hereinafter directed.

Sec. 3. That the said trustees be, and they are hereby, authorized, empowered, and directed to convey the said real estate by mortgage or deed of trust to secure a loan or loans, at such time and at such rate of interest as may be practicable, which money so raised shall

be used by them for the purpose of carrying out the provisions of this act, for which they shall be accountable as for other moneys coming into their hands as trustees under this act.

Sec. 4. That after paying all obligations and liabilities of the said association, including a compensation to the said trustees of 5 per cent of the gross amount of sales aforesaid, together with reasonable attorney's fees and other necessary expenses in the discharge of the duties imposed upon them by this act, the said trustees shall distribute the remainder of such amount, per stirpes, to the heirs at law or next of kin of the owners of the said real estate and the personal property of the said association, as such ownership may be evidenced by the records of said association. Before making any distribution, however, the said trustees shall first receive the approval of the probate court of the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

WILLIAM HOWARD MAY AND OTHERS.

Mr. EDMONDS. Mr. Speaker, I ask unanimous consent to return to Calendar No. 214, S. 2746, an act for the relief of William Howard May, ex-marshall of the Canal Zone; William K. Jackson, ex-district attorney of the Canal Zone; and John H. McLean, ex-paymaster of the Panama Canal, now deceased.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund to William Howard May the sum of \$280.32, being the amount collected from the said William Howard May for rent of quarters while holding the office of marshal of the district of the Canal Zone.

That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund to William K. Jackson the sum of \$77.13, being the amount collected from the said William K. Jackson for rent of quarters while holding the office of district attorney of the Canal Zone, said refunds to be made out of the appropriation for maintenance and operation of the Panama Canal.

That the Comptroller General of the United States be, and he is hereby, authorized and directed to reopen the accounts of John H. McLean, former paymaster of the Panama Canal, and allow credit to the said John H. McLean, for payments made by him, as follows: \$470.12 paid to Charles R. Williams as a refund of the amount collected from him for rent of quarters while holding the office of district attorney of the Canal Zone; \$403.33 paid to Miguel A. Otero as a refund to him of the amount collected for rent of quarters while holding the office of marshal of the Canal Zone; \$214.83 paid to Burt New as a refund of the amount collected from him for rent of quarters while a land commissioner in the Canal Zone; and \$114.68 paid to George A. Connolly as a refund of the amount collected from him for rent of quarters while a land commissioner in the Canal Zone.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

Mr. MILLER. Mr. Speaker, I ask unanimous consent to return to No. 447 on the Private Calendar.

Mr. STAFFORD. I object.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 10 o'clock and 58 minutes p. m.) the House adjourned until to-morrow, Friday, February 23, 1923, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1018. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of West Fork of White River, Ind., was taken from the Speaker's table and referred to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ZIHLMAN: Committee on Labor. H. R. 14185. A bill to make an investigation of the needs of the Nation for public works to be carried on by Federal, State, and municipal agencies in periods of business depression and unemployment; without amendment (Rept. No. 1684). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOORES of Indiana: Joint Select Committee on Disposition of Useless Executive Papers. H. Report 1685. A report on disposition of useless papers in the Department of Commerce. Ordered to be printed.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. H. Res. 548. A resolution requesting the Fed-

eral Trade Commission to investigate and to report to the House the facts relating to the ownership of radio patents, and for other purposes; without amendment (Rept. No. 1686). Referred to the House Calendar.

Mr. HERSEY: Committee on the Judiciary. H. R. 14084. A bill to amend section 1025 of the Revised Statutes; without amendment (Rept. No. 1687). Referred to the House Calendar.

Mr. HERSEY: Committee on the Judiciary. H. R. 14085. A bill to amend section 284 of the Judicial Code of the United States; without amendment (Rept. No. 1688). Referred to the House Calendar.

Mr. LEHLBACH: Committee on Reform in the Civil Service. S. 4167. An act to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, in order to extend the benefits of said act to certain employees in the Panama Canal Zone; with an amendment (Rept. No. 1689). Referred to the Committee of the Whole House on the state of the Union.

Mr. ANDREWS of Nebraska: Committee on Election of President, Vice President, and Representatives in Congress. S. J. Res. 253. Joint resolution proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress; with an amendment (Rept. No. 1690). Referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MADDEN: A bill (H. R. 14408) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1923, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1924, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. SUMMERS of Washington: A bill (H. R. 14409) authorizing the use of the vessels of the United States in the prevention of smuggling; to the Committee on Ways and Means.

By Mr. CAMPBELL of Kansas: A resolution (H. Res. 551) providing for the consideration of S. J. Res. 265; to the Committee on Rules.

By Mr. HUDSPETH: A resolution (H. Res. 552) for the immediate consideration of H. R. 13550; to the Committee on Rules.

By Mr. ANDREWS of Nebraska: A resolution (H. Res. 553) for the immediate consideration of S. J. Res. 253; to the Committee on Rules.

By Mr. HAWLEY: A resolution (H. Res. 554) for the immediate consideration of H. J. Res. 449; to the Committee on Rules.

By the SPEAKER (by request): Memorial of the Legislature of the State of Idaho, urging Congress to fix a minimum price for wheat at \$1.50 per bushel at shipping points; to the Committee on Agriculture.

Also (by request), memorial of the Legislature of the State of Idaho, petitioning Congress to give careful consideration to the situation of the silver-mining industry; to the Committee on Mines and Mining.

Also (by request), memorial of the Legislature of the State of Oregon, favoring an amendment to the Federal grain standard act; to the Committee on Agriculture.

By Mr. McARTHUR: Memorial of the Legislature of the State of Oregon, urging an amendment to the Federal grain standards act; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Oregon requesting Congress to appropriate money for the construction of a system of highways through and adjacent to the national forests; to the Committee on Roads.

Also, memorial of the Legislature of the State of Oregon opposing further immigration into the United States in excess of the present quota; to the Committee on Immigration and Naturalization.

By Mr. McCLINTIC: Memorial of the Legislature of the State of Oklahoma relating to the matter of the disposal of the water rights and matters connected therewith at Muscle Shoals, Ala.; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL: A bill (H. R. 14410) for the relief of Emory Lord; to the Committee on Appropriations.

Also, a bill (H. R. 14411) for the relief of Hoyt G. Barnett; to the Committee on Appropriations.

Also, a bill (H. R. 14412) for the relief of Arthur McRee; to the Committee on Appropriations.

Also, a bill (H. R. 14413) granting a pension to Mrs. C. S. Giles; to the Committee on Pensions.

By Mr. CABLE: A bill (H. R. 14414) granting an increase of pension to Scott Fitzgerald; to the Committee on Pensions.

By Mr. SHELTON: A bill (H. R. 14415) granting a pension to Nancy Morgan; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7388. By the SPEAKER (by request): Petition of Joseph Melendez, jr., of Hormigueros, P. R., urging a congressional investigation of the condition of Porto Rico; to the Committee on Insular Affairs.

7389. By Mr. COLE of Ohio: Petition of citizens of Sycamore, Ohio, asking for the abolishment of paragraph 7, section 900, of the internal revenue bill, providing for a tax on ammunition and firearms; to the Committee on Ways and Means.

7390. By Mr. GALLIVAN: Petition of Suffolk County Council, Veterans of Foreign Wars, William C. Sweeney, secretary, Boston, Mass., urging immediate and favorable action on the Bursum bill, S. 1565; to the Committee on Military Affairs.

7391. By Mr. KISSEL: Petition of Emergency Committee on Near East Refugees, New York City, favoring legislation to alleviate conditions prevailing in the Near East; to the Committee on Foreign Affairs.

7392. Also, petition of International Typographical Union, Indianapolis, Ind., opposing the passage of the ship subsidy bill; to the Committee on the Merchant Marine and Fisheries.

7393. Also, petition of C. Kenyon Co. (Inc.), Brooklyn, N. Y., favoring the construction of a dam by the Federal Government in the Imperial Valley; to the Committee on Flood Control.

7394. Also, petition of National Council of Farmers' Cooperative Marketing Association, Louisville, Ky., urging Congress to accept the terms recommended by the American commission of the funding of the British debt; to the Committee on Ways and Means.

7395. By Mr. LAYTON: Petition of the George Paul Farrel Camp, No. 1, United Spanish War Veterans, Wilmington, Del., favoring the passage of House bill 13298, to extend the benefits of the war risk insurance act; to the Committee on Interstate and Foreign Commerce.

7396. By Mr. MEAD: Petition of Chamber of Commerce of Buffalo, N. Y., supporting the Winslow bill covered by civil aeronautics act of 1923 (H. R. 13715); to the Committee on Interstate and Foreign Commerce.

7397. By Mr. PATTERSON of New Jersey: Petition of Lillian Council, No. 85, Sons and Daughters of Liberty, of Glassboro, N. J., indorsing restricted immigration; to the Committee on Immigration and Naturalization.

7398. By Mr. STRONG of Pennsylvania: Petition of Ford City Council, Order of Independent Americans, protesting against any increase of the 3 per cent quota in the restriction of immigration; to the Committee on Immigration and Naturalization.